

MUNICIPAL YEAR 2019/2020 REPORT NO.

MEETING TITLE AND DATE:

Agenda – Part:1

Item:

Subject: Investment in Private Rented Sector – Additional Loan Instalment

REPORT OF:

Director of Finance

Wards: All

Key Decision No:4444

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Cabinet Member consulted: Cllr Mary Maguire & Cllr Gina Needs

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1. EXECUTIVE SUMMARY

- 1.1 In February 2014 Cabinet agreed to establish a wholly owned local authority company, Housing Gateway Ltd, to acquire and manage properties that the Council can use to discharge its statutory duties. This was in response to the significant temporary accommodation budget pressures facing the Council, resulting from an increase in demand for housing and rising rental prices.
- 1.2 Cabinet, and later Council, agreed the financial model, which provided authority for the Council to borrow funding up to an agreed amount and lend this to the company in a number of instalments.
- 1.3 The overall budget envelope was approved as part of the Council's Capital Program 2019-20. This report seeks approval for the next instalment of the loan to Housing Gateway Ltd in line with the delegated authority granted in KD3782 and in accordance with the terms of the Facility Letter referred to below.
- 1.4 The company has been in operation since March 2014 and good progress has been made. It has an approved business plan in place to continue to expand the portfolio and now requires the next instalment of the loan to continue the acquisition of properties in line with the business plan.
- 1.5 The detailed financial assumptions to support additional loan instalment are provided in the Part 2 report.

2. RECOMMENDATIONS

- 2.1 Note that in 2014 Cabinet delegated authority to the Director of Finance; Director of Housing; Cabinet Member for Finance & Procurement; and Cabinet Member for Social Housing, to finalise the timing, profile of acquisitions and the detail of the funding arrangements for each phase of the portfolio development, based on the most viable finance stream available, type and level of housing need at that time, and the Council's best interests (KD 3782). It should be noted that since the delegation was agreed in 2014, the Council's processes have changed and it has been agreed that the report is now a decision of the Cabinet Member for Finance and Procurement, in consultation with the Cabinet Member for Social Housing, Acting Executive Director Resources and Executive Director Place.
- 2.2 Note that a further decision was taken by Council in February 2019 (KD4828), to approve the Council's Capital Strategy, including additional lending to Housing Gateway for 2019-21.
- 2.3 Note that a pro forma Facility Letter to govern loan arrangements between Housing Gateway and the Council was agreed in September 2014.
- 2.4 Agree to access the next instalment of the loan and on-lend this to Housing Gateway Limited under the terms of the pro forma Facility Letter.
- 2.5 Note that the treasury management decisions regarding the Council's borrowing to enable the on-lending to Housing Gateway will be subject to the Council's existing arrangements for governance.
- 2.6 To note and agree recommendations set out in Part 2 of the report.

3. BACKGROUND

- 3.1 In February 2014 Cabinet agreed to establish a wholly owned local authority company to own and manage a portfolio of houses, to make available to those residents primarily with housing need or at risk of homelessness (KD 3782). Cabinet agreed that properties would be purchased on a case by case basis using funding from the Public Works Loan Board (PWLB) or via external finance depending on the most viable option at the time of purchase.
- 3.2 Cabinet agreed to delegate to the Director of Finance, Resources and Customer Services; Director of Health, Housing and Adult Social Care; Cabinet Member for Finance; and Cabinet Member for Housing and Estate Regeneration, authority to finalise the timing, profile of acquisitions and detail of the funding arrangements. This included the

terms of the loan agreement between the Council and the Company. It should be noted that since the delegation was agreed in 2014, the Council's processes have changed and it has been agreed that the report is now a decision of the Cabinet Member for Finance and Procurement, in consultation with the Cabinet Member for Social Housing, Acting Executive Director Resources and Executive Director Place.

- 3.3 The overall budget envelope available to Housing Gateway has been agreed by Cabinet in February 2019 (KD4828) as part of the Council's Capital Strategy. The company is now requesting part of the agreed budget to be released to facilitate ongoing expansion of the property portfolio.
- 3.4 Housing Gateway has an established acquisition process in place and has built a portfolio of 536 acquisitions properties. The company's Business Plan 2019-22 clearly sets out its goal to acquire a further 250 properties in the next three years, with an anticipated 50 units being acquired by March 2020. In June 2019, the Council's Shareholder Board recommended to Cabinet to approve the activities detailed in the HGL Business Plan for 2019-22, subject to presentation of a further report for approval of the forward financial structure based on a full options appraisal, and the submission of clear annual expansion targets. In order to fulfil the aims of the business plan, the company requires the next instalment of the loan to be made available.
- 3.4 A pro forma facility letter was drafted by external lawyers Trowers & Hamlins LLP, and agreed in September 2014.
- 3.5 The pro forma facility letter sets out the terms to govern loan arrangements between the Council and Housing Gateway. This stipulates that the loan can only be used by Housing Gateway to support the activities agreed by the Council. In line with the Cabinet decision, the remit of Housing Gateway is to acquire and manage properties, for which the Council has full nomination rights and can use these properties to discharge its statutory duties. The loan can therefore only be used for this purpose, unless the Council agrees to additional activities at a later date.
- 3.6 The facility letter enables the loan to be given to Housing Gateway in instalments to minimise unnecessary interest repayment costs before the company has properties and tenants in place. The facility letter therefore contains a schedule that can be completed for every separate instalment. The loan has now almost reached the limit, so a further instalment is required. The terms of the facility letter will remain unchanged but the facility letter will be re-issued to the agreed amount.
- 3.7 The delivery of Housing Gateway's business plan relies on refinancing the company to ensure appropriate cash flows are generated to support the ongoing growth and development of the portfolio. Housing

Gateway is undertaking a thorough review of refinancing options including external financiers and funding through the Council.

- 3.8 Whilst the review of refinancing is undertaken, it is important that Housing Gateway can access short term funding from the Council to facilitate further expansion of the company's portfolio. The further instalment of the loan as proposed in this report will enable Housing Gateway to continue to acquire properties that can then be used by the Council to discharge its statutory homeless duties.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 As outlined in KD 3782, a number of alternative options were considered in the development of the Investment in Private Rented Sector business case.
- 4.2 In the development of the pro forma facility letter a number of alternative options were also considered, including a loan with a single instalment or the absence of a formal agreement. These options were discounted, as a formal agreement safeguards the interests of both the Council and Housing Gateway and the ability to access the loan in instalments provides greater flexibility.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Cabinet approved the business case, financial model and overall financial envelope in February 2014 as per KD 3782.
- 5.2 Housing Gateway Limited was founded in March 2014 (assuming the name HGL in April 2014) and the company is now well established. The next phase of the loan is required to enable the company to continue acquiring properties and providing further cost avoidance to the Council.
- 5.3 A pro forma facility letter has been agreed by the Council and Housing Gateway Limited which sets out the terms of the loan agreement and provides clear terms of repayment.
- 5.4 The facility letter enables Housing Gateway Limited to access the loan in a series of instalments, under Schedule 3 of the Facility Letter. This will enable the company to access funding to coincide with the speed of acquisitions and better manage its cash flow.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The total loan amount available for drawdown as approved in the Council's approved Capital programme.

6.1.2 Separate to the Council's approved capital programme there is an additional sum in the Council's 'Projects in the pipeline'. This represents an estimate of future requirements. This is **not** part of the approved capital programme. If this funding is required it will be subject to the relevant Cabinet /Council approval, following which, it will be added to the Council's approved capital programme

6.1.3 Further details are provided in part 2.

6.2 Legal Implications

6.2.1 The Council has power to establish and participate in Housing Gateway Limited in accordance with Section 1 of the Localism Act 2011 and section 95 of the Local Government Act 2003. In addition, section 111 of the Local Government Act 1972 permits a local authority to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or right) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.

6.2.2 The Council has the power to borrow in connection with its functions or for the prudent management of its finances under section 1 of the Local Government Act 2003. The Council has a duty under section 3 of the Local Government Act 2003 to determine and keep under review how much it can afford to borrow. The Council is also required to have regard to the Prudential Code for Capital Finance in Local Authorities when carrying out its duties under Part I of the Local Government Act 2003.

6.2.3 Section 12 of the Local Government Act 2003 (2003 Act) permits the Council to invest for any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs.

6.2.4 The Council must be mindful of EU state aid rules (Articles 107 to 109 of the Treaty on the Functioning of the European Union (TFEU)) which prohibit the Council from using its resources to provide selective financial support to a third party operating in the market. There are ways in which financial support can be provided in compliance with state rules, for example if the support is provided on market terms or a relevant exemption applies, such as an exemption for what are known as services of general economic interest ('SGEI'). One such SGEI is the provision of social housing to those unable to obtain housing under normal market conditions, and this is the exemption the Council is seeking to rely on when making loans to HGL. The state aid position will be kept under review to ensure that support from the Council is provided throughout the loan term in a way which is compatible with the state aid regime, and specialise legal and financial advice will be sought as part of the refinancing review referred to at 3.7. above.

- ~~6.2.5~~ The facility letter for this loan, which will be based on the pro forma Facility Letter referred to at 3.4 above, must be in a form approved by the Director of Law and Governance.

6.3 Property Implications

None.

7. KEY RISKS

- 7.1 The Company cannot refinance its portfolio as anticipated.** It is essential to the company's future that a more favourable financing structure can be found to support future growth. This has been addressed by investigating financing options by both the council and a wide range of private financiers. Housing Gateway is continuing to collaborate with the Council to find the most suitable proposal to meet the needs of the both the company and the shareholder.

- 7.2 Property market fluctuations.** Housing Gateway's portfolio is valued annually in line with audit expectations and, as such, any depreciation in local property prices may have an impact on the value of Housing Gateway's asset base. However, Housing Gateway has reached a point of significant gearing where expected minor market fluctuations will not impact the overall model. In the long term, the market is expected to increase over 50 years and Housing Gateway's asset base will appreciate accordingly.

- 7.3 Housing needs change and Housing Gateway is no longer required to manage a property portfolio for use by the Council.** Whilst highly unlikely as the Council has a growing requirement for alternatives to temporary accommodation, this has been mitigated by providing the flexibility for early repayment of the loan, for example if Housing Gateway needed to sale a property to release capital.

- 7.4 Rental income.** Housing Gateway's initial business model aligned rents to Local Housing Allowance (LHA) rates, which were predicted to increase at a rate of 2% per annum. As the expected increase in rates were frozen by Central Government, Housing Gateway's income has not increased as predicted. LHA rates were increased marginally in 2019, but not to the levels initially modelled. Housing Gateway is analysing alternative rent models.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

- 8.1.1** The growth of Housing Gateway Limited enables the Council to increase the supply of good quality, value for money housing in

the borough, to meet the objectives set out in Enfield's Housing Strategy (2012-2027) and is aligned to the Council's proposed Good Growth strategy. By increasing the supply of quality accommodation within the Council's control, this will enable the Council to discharge its statutory duties or prevent homelessness and increase access to secure accommodation for some of the most vulnerable residents in the borough.

8.2 Sustain strong and healthy communities

8.2.1 Access to good quality, stable housing is a key aspect of a person's health and wellbeing. Housing Gateway provide a stable private rented sector offer to families who would otherwise be placed in uncertain and expensive temporary accommodation. Furthermore, by ensuring properties are maintained to a good standard, the company is able to set exemplary landlord standards as an example to other private sector landlords in the Borough.

8.3 Build our local economy to create a thriving place

8.3.1 By increasing the supply of quality homes that the Council can access within the borough and the surrounding area, this will increase opportunities for local residents to access employment and training and thus reduce the likelihood of them requiring additional services from the Council.

9. EQUALITIES IMPACT IMPLICATIONS

9.1 Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics. It is important to consider the needs of the diverse groups with protected characteristics when designing and delivering services or budgets so people can get fairer opportunities and equal access to services.

9.2 The Council aims to serve the whole borough fairly, tackle inequality and protect vulnerable people. The Council will promote equality of access and opportunity for those in our communities from the protected characteristic groups or those disadvantaged through socio-economic conditions.

9.3 Predictive EQIA has been undertaken and has highlighted no negative impact on residents from the protected characteristic groups.

10. PERFORMANCE AND DATA IMPLICATIONS

10.1 Through the establishment of Housing Gateway Limited the Council has the opportunity to reduce the number of households in

temporary accommodation and provide quality accommodation for some of the most vulnerable residents. This in turn, provides the opportunity for the Council to make a positive impact for wider objectives, such as reducing employment and improving health and wellbeing.

11. HEALTH AND SAFETY IMPLICATIONS

None.

12. HR IMPLICATIONS

None.

13. PUBLIC HEALTH IMPLICATIONS

13.1 By increasing the supply of good quality housing in the borough across tenures, health and wellbeing of individuals will be improved. All properties purchased will be fit for purpose or refurbished so that they fall in line with the Council's decent homes standard. Where investment is used to provide quality housing to enable the Council to discharge its statutory homelessness duties, residents selected for these properties will be most at need and therefore most affected by the Government's housing benefit cap

Background Papers

None.

MUNICIPAL YEAR 2019/2020 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:

Programme Director – Meridian Water in consultation with Director of Law and Governance, Executive Director – Place and Leader

Agenda – Part: 1

KD Num: 4782

Subject: MW Strategic Infrastructure – Contractor Procurement HIF non-rail

Wards: Upper Edmonton

Contact officer and telephone number:
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1. EXECUTIVE SUMMARY

- 1.1 In early December 2018 the GLA submitted, on behalf of Enfield Council, a funding application to Central Government for a total of £156m to build strategic infrastructure in Meridian Water. In August 2019 Central Government announced that the Council / GLA have been successful in their £156m Housing Infrastructure Fund bid.
- 1.2 All capital works must be completed before the delivery deadline of March 2024. To ensure timely delivery of works ahead of the funding deadline, the Council adopted an accelerated programme of design and procurement and is seeking approval to procure a main contractor.
- 1.3 At its meeting on 25th July 2018, Cabinet delegated to the Programme Director of Meridian Water (in consultation with the Director of Law and Governance) the decision to authorise the contractor procurement procedure for HIF delivery works to comprise enabling works, utility provisions, flood alleviation works to deliver the Central Spine road, as well as remediation and earthworks at the central area of the development for early delivery of homes.
- 1.4 Following a detailed Options Appraisal, a Competitive Dialogue Process leading to a multiple supplier framework agreement has been identified as the preferred procurement route for the strategic road and flood alleviation works. This process best addresses the key issues that are related to the nature and complexity of the project which is the subject of this report.

2. RECOMMENDATIONS

It is recommended that the Programme Director – Meridian Water in consultation with the Director of Law and Governance:

- 2.1 Approves the commencement and undertaking of the procurement of a main contractor for the scope of works identified in the main body of this report, subject to sign off, of the procurement documents by the Director of Law and Governance and the Director of Finance.
- 2.2 Note that a separate report seeking authority to appoint the preferred tenderers to the Framework will be brought to Cabinet.

3. BACKGROUND

3.1 Introduction

- 3.1.1 In July 2018 Cabinet authorised a funding bid of £120m for the Housing Infrastructure Fund (HIF) and delegated the authority to approve the contractor procurement for the HIF works to the Programme Director of Meridian Water in consultation with the Director of Law and Governance (KD4711). The Housing Infrastructure Fund is a government capital grant programme from the Ministry for Housing, Communities and Local Government (MHCLG) aimed to unlock housing sites and help deliver new homes.
- 3.1.2 In early December 2018 the final funding application was submitted to Central Government by the GLA on behalf of Enfield Council, after authority to submit was obtained from the Mayor of London and the Council's Executive Director of Place and the Director of Finance.
- 3.1.3 The final bid submitted asked for a total of £156m of HIF funding, which is slightly higher than the funding bid of £120m approved by Cabinet in July 2018. The funding ask was increased under delegated authority from £120m to a £156m following a steer from Central Government to increase the funding ask. The scope of works proposed for HIF funding includes rail enhancement works amounting to a value of circa £40m (which are outside the scope of this proposed procurement project) and strategic road and flood alleviation works for a value amounting to circa £116m. These HIF works are required as a first phase of strategic infrastructure to unlock housing delivery in Meridian Water.
- 3.1.4 In August 2019 Central Government announced that the Council / GLA have been successful in their Housing Infrastructure Fund bid for the full amount of £156m. In September the Council received the HIF funding conditions from Central Government, which are currently being assessed and will be the subject of negotiation. Following agreement of

terms, a report will be brought to an appropriate future Cabinet meeting to accept the HIF funds from Central Government and authorise entering into the funding agreement.

- 3.1.5 The funding conditions were reviewed and discussed at the HIF Steering Group and it was agreed that the funding conditions did not require amendments to the proposed procurement approach.
- 3.1.6 All HIF works must be completed before the delivery deadline of March 2024. To ensure timely delivery ahead of the funding deadline, this report is seeking approval to commence the HIF Contractor Procurement aiming to start works on site in early 2021. An indicative procurement programme is included in the Procurement Options Report, which is attached to part 2 of this report.
- 3.1.7 An earlier version of this report has been brought to a pre-scrutiny session on 18th June 2019 for review and discussion. An overview of the questions raised at the pre-scrutiny session is attached to part 2 of this report.

3.2 Work to date

- 3.2.1 A significant amount of work has been carried out to develop the HIF funding bid, which required a fully worked up and green-book compliant business case as well as site investigations and concept designs for the proposed works. The concept design, including the underlying technical investigations have been submitted to Central Government to support the bid and proof the deliverability of the project.
- 3.2.2 Further to the work required to develop the funding bid, work has been undertaken to develop the planning application for the HIF works, including developed design, transport modelling, flood modelling and survey work. The planning application for the HIF Works was submitted in August 2019 and planning approval is expected by the end of the year. These works were on the critical path to meet the HIF funding deadline. The proactive strategy to progress the planning application has been positively received by the GLA and Central Government as it strengthened the deliverability of the project and consequently the council's funding bid.
- 3.2.3 To carry out the beforementioned work, a civil-engineering-led infrastructure design and planning team has been procured. The procurement was undertaken using a framework from the GLA/TfL called Architecture Design and Urbanism Panel (ADUP).
- 3.2.4 The proactive strategy to accelerate work on the critical path to deliver the HIF works by the funding deadline has been presented to Cabinet (KD4711) and the instruction of works and associated expenditure has been approved by the authorised officers (KD 4620 / KD4757). All costs

are funded from within the existing Capital programme initially and will ultimately be reimbursed from the HIF funding. An overview of the cost related to this works is attached to part 2 of this report for information.

- 3.2.5 An external project management consultancy has been appointed to manage the HIF project. The costs for project management are funded from within the existing Capital programme initially and will ultimately be reimbursed from the HIF funding. An overview of the estimated project management cost is attached to part 2 of this report for information.
- 3.2.6 Furthermore, the scope of HIF works does include work located on privately owned land, which the Council will need to acquire to deliver the works. All land in Meridian Water is required for the delivery of the Meridian Water project and would have to be acquired by the Council at some stage. The land acquisition strategy currently prioritises land required for the HIF works to ensure land availability and timely delivery of the HIF works.
- 3.2.7 The Council has appointed a team of advisors to develop the land acquisition strategy and carry out negotiations with private landowners. Please find landownership map attached to part 2 of this report.
- 3.2.8 Whilst the Council aims to acquire third party land by private treaty, it is acknowledged that the Council may be required to use its compulsory purchase powers to acquire the necessary parcels of land to deliver the HIF works. Consequently, the making of a Compulsory Purchase Order (CPO) is progressed in parallel to private treaty negotiations to ensure timely ownership of the land to deliver the HIF works.
- 3.2.9 Cabinet (KD4348) passed a resolution stating that the Council agrees, in principle, to use its compulsory purchase powers for acquisition of land necessary for the delivery of the Meridian Water regeneration scheme. A further report (KD 4832) will be brought to Cabinet to authorise the making of a compulsory purchase order required to deliver the HIF Works.
- 3.2.10 The estimated consultancy fees associated with the acquisition of land required to deliver the HIF works will be recovered from land receipts of the developable plots of land in Meridian Water once developers come forward to build out the plots. As the HIF works unlock the land in Meridian Water for development, it is expected that the HIF works will positively influence the development value of the developable plots in the area. An overview of the estimated fees associated with land acquisition cost is attached to part 2 of this report for information.

3.3 Procurement Team and Project Governance

- 3.3.1 The next stage of the HIF works involves the procurement of an infrastructure contractor. A team of external advisors has been

assembled to ensure the knowledge and expertise is available during this stage to prepare and carry out the procurement.

- 3.3.2 A project management consultancy (Stace LLP) has been appointed to manage the contractor procurement, which includes programme management, quantity surveying and Health and Safety. The project management consultancy will oversee the production of the procurement documents, ensure the quality of the procurement document, lead on the competitive dialogue and evaluation process and review contractors' costs and recommendations. They will also oversee the works of the rest of the team and ensure the procurement is carried out in accordance with programme.
- 3.3.3 A civil engineering-led multi-disciplinary team (Ove Arup) has been appointed to prepare all the technical procurement documents, including the specification and technical drawings. They will also review and respond to any technical queries regarding the contractor procurement.
- 3.3.4 The procurement is carried out in close collaboration with the Council's internal Legal, Finance and Procurement teams and with the legal support of Trowers & Hamlins LLP. This to ensure the procurement process is carried out in compliance with the Public Contracts Regulations (2015) and the Council's Contract Procedure Rules.
- 3.3.5 Furthermore, financial advisors (Ernst&Young LLP) have been appointed to provide the required financial input and review of the procurement documents, including the drafting of financial assessment criteria, financial evaluation of tenders and any involvement required during the negotiations with a successful contractor.
- 3.3.6 The team of external advisors is closely aligned with the Council's in-house teams; the Meridian Water team, as well as the Council's legal, procurement and finance teams. A responsibility matrix is attached to this report setting out how roles and responsibilities are divided within the HIF procurement team.
- 3.3.7 The Council has a comprehensive project organisation and robust governance structure in place to provide oversight and direction for the next stage of the HIF project, including the contractor procurement. The description of the project governance and project structure as submitted in the HIF Business Case is attached to this report.
- 3.3.8 The Meridian Water Team will carry out a review of the project management arrangement in place with the aim of strengthening the team and ensure the right capacity and capability is available to manage the delivery of the works, including the pre-construction and construction phases of the project.

3.4 Tendered Scope of Works

- 3.4.1 The road and flood alleviation works put forward for HIF funding comprise significant infrastructure works across the Meridian Water site and form the first phase of strategic infrastructure works required to unlock housing in Meridian water:
- Strategic highways and junctions, including the Central Spine road;
 - Strategic bridges including bridges over the brooks, the Lee Navigation Canal and over the railway next to Leaside Road;
 - Strategic flood management works including the re-profiling of the section of the Lea Valley Regional Park and canalised brooks and specific green corridors and local park within the site;
 - Strategic utilities and drainage and off-site connections and reinforcement;
 - Enabling works, including demolition, site clearance, bulk earth-moving and construction of temporary accesses to existing businesses.
- 3.4.2 Please see attachment 1 for a diagram and overview of the infrastructure and associated works proposed for the Housing Infrastructure Fund.
- 3.4.3 The scope of works put forward for HIF funding has been worked up to the level of a Developed Design (RIBA Stage 3) and has been costed by an independent cost consultant. A cost plan is attached to part 2 of this report. The Developed Design will be included in the tender documentation.
- 3.4.4 At this stage of the project, some extents of the works are uncertain, and an appropriate contingency allowance has been included in the cost plan to cover the associated risk. The uncertainties are related to essential pieces of design information that are forthcoming:
- Ground Investigation Survey;
 - Flood Alleviation Strategy;
 - Transport Modelling;
 - Full planning consent.
- 3.4.5 To confirm the exact scope of flood alleviation works and the extent of site remediation and earthworks required a full ground investigation (GI) survey must be completed and a Flood Alleviation Strategy must be agreed with the Environment Agency. The GI survey is expected to be completed in December 2019 and the Flood Alleviation Strategy in autumn 2019.
- 3.4.6 Similarly, some uncertainties remain in the design development of the scheme until detailed transport modelling has been completed and planning consent obtained. Transport modelling is anticipated to be completed in autumn 2019 and planning consent is expected in December 2019.

- 3.4.7 To ensure timely delivery ahead of the funding deadline the procurement process needs to commence prior to completion of the full set of design information. The preferred procurement route set out in paragraph 3.5 addresses the timing issue of some of the design information and allows the forthcoming design information to be considered during the second stage tender and ahead of contract finalisation.
- 3.4.8 In addition to the strategic road and flood alleviation works put forward for HIF funding, it has been identified that further phases of strategic infrastructure works could be required to fully develop Meridian Water.
- 3.4.9 At this stage of the Meridian Water project the further phases of strategic infrastructure works haven't been fully scoped out. However, it is expected that further works could be required within the delivery timescales of the HIF works. Consequently, the procurement of an infrastructure contractor should provide the flexibility to cover any additional strategic infrastructure works if and when required.

3.5 Procurement Process and Contract Approach

- 3.5.1 The estimated value of strategic road and flood alleviation works exceeds the current EU threshold for works. Several OJEU compliant procurement routes have been considered and, following consultation with Stace, Trowers & Hamblins LLP and the Council's internal Legal and Procurement teams, a Competitive Dialogue Procedure leading to a multiple supplier framework agreement has been identified as the preferred procurement route (see section 4 for detail on the alternative options considered). A procurement options report, which sets out the preferred procurement approach and alternative options considered is attached to part 2 of this report.
- 3.5.2 The first draft of the Procurement Options report was reviewed by an independent consultant, who raised some issues and queries. These were thoroughly considered and responded to by the appointed project management consultancy and in subsequent discussions with the full procurement team and the programme director of Meridian Water it was decided to refine the proposed procurement route to respond to comments raised.
- 3.5.3 The funding conditions were reviewed and discussed at the HIF Steering Group and it was agreed that the funding conditions did not require amendments to the proposed procurement approach.
- 3.5.4 Competitive Dialogue is permitted under the Public Contract Regulations 2015 and allows contracting authorities to engage with the market as part of the formal tender process. It is particularly useful for complex projects where the restricted or open procedures are unlikely to be suitable.

- 3.5.5 The framework approach allows the Council the flexibility to instruct specific works and services as and when they are required and doesn't commit the Council to instructing the individual works packages until a call-off contract has been signed. Trowers and Hamblins LLP have advised that the Framework approach is suitable for the scope of works, given that the exact design and the land acquisition will not have been confirmed at the point of commencing the procurement.
- 3.5.6 Furthermore, the competitive dialogue procedure allows the Council the opportunity to engage and negotiate with bidders on key details prior to entering into the framework agreement. The approach therefore offers the opportunity to address the outcome of the Transport Assessment and the Flood Alleviation Strategy during the dialogue stage. However, it has been agreed that this will not be a protracted dialogue, but a 'lean' process.
- 3.5.7 Moreover, market engagement with potential bidders has flagged potential reluctance of the market to accept what bidders would perceive as 'onerous contract terms'. In order to ensure that any tender approach does not inadvertently discourage bidders by including terms without the ability to enter into dialogue or discuss them first with Enfield, the preferred procurement process should ensure that onerous contract terms could be raised and dealt with in a procurement compliant and commercial manner and do not represent a barrier to bidders.
- 3.5.8 In compliance with the Public Contract Regulations (2015) a Prior Information Notice has been published on the London Tenders Portal and a procurement information event was organised on 26th April 2019 to gauge market interest. Further market engagement has taken place with several leading suppliers who have expressed an interest in the opportunity to bid for the works, including participation in a competitive dialogue process.
- 3.5.9 The tender documents will set out the Council's known design and construction requirements and request bidders to provide proposals on the outline design, supply-chain costings, and a breakdown of profits, overheads and fees etc. The Council will enter into framework agreement with successful bidders and the pre-construction services and work packages will be called off from the framework under a call-off contract that is based on the NEC4 form of contract.
- 3.5.10 In compliance with the Contract Procedure Rules, a Business Case was presented to the Procurement and Commissioning Review Board on 25th October 2018. The Board approved the procurement and agreed the proposed lean Competitive Dialogue Process.
- 3.5.11 The procurement process will be further developed in consultation with Trowers & Hamblins LLP, Stace project management and the Council's legal and procurement team to ensure that the process is compliant and run efficiently and in accordance with the challenging delivery

programme. The technical tender documents, including the design documents and specification will be provided by the Council's multi-disciplinary team.

3.5.12 The following main procurement documents are being prepared for this procurement:

- Prior Information Notice (PIN);
- Selection Questionnaire (SQ);
- Contract Notice;
- Memorandum of Information (Mol);
- Invitation to Participate in Dialogue and Submit Final Tenders (ITPD);
- Contract Documents; and
- Financial and Technical Documents

The PIN and Mol are attached to this part 1 of this report. The draft SQ and draft Contract Notice are attached to part 2 of this report.

3.6 Cost and Funding Contractor Procurement

3.6.1 An independent cost consultant has produced a cost plan of the HIF works, which has been reviewed by the cost consultants from Stace. The cost plan is based on the developed design (RIBA stage 2/3) drawings and information from the design team. A summary of the cost plan and the cost reconciliation by Stace is attached to part 2 of this report.

3.6.2 During the procurement stage of the project the detailed technical designs will be drawn up in collaboration with the recommended contractor and a final price will be agreed. The project team will continuously review the cost plan during the next detailed design stages and until a final price has been agreed with the successful contractor.

3.6.3 In addition to the strategic road and flood alleviation works put forward for HIF funding, it has been identified that further phases of strategic infrastructure works could be required to fully develop Meridian Water.

3.6.4 At this stage of the Meridian Water project the further phases of strategic infrastructure works haven't been fully scoped out and costed. However, the framework agreement procured should allow the flexibility to cover any further strategic infrastructure works that could be required within the delivery timescales of the HIF works.

3.6.5 It is therefore recommended to procure a framework with a slightly greater value than the estimated value of the HIF works. This will allow the Council to instruct any strategic infrastructure works in addition to the HIF works through the framework agreement without having to undertake a separate procurement exercise. The proposed value of the framework agreement is set out in part 2 of this report.

3.6.6 The expenditure to deliver the HIF works is to be funded from the Housing Infrastructure Fund. A further report will need to be presented to Cabinet to accept the HIF funds from the Ministry for Housing Communities and Local Government should funding terms be successfully agreed. The report will clearly set out the terms of the funding agreement and approve any forward funding commitment by the Council if required.

3.6.7 If following negotiation of funding terms it transpires that a materially lower amount of HIF funding will be provided than requested, the phasing and the scope of works will need to be reviewed. Procurement of a framework gives the Council some flexibility to do this.

3.6.8 If the terms of the funding agreement require the Council to forward fund the works, budget will need to be made available from the Meridian Water Capital Programme. Any requirements for the Council to forward fund the works will be addressed in the aforementioned Cabinet report and approval sought to make funds available.

3.7 Cost of Undertaking the Procurement

3.7.1 As set out in paragraph 3.3 of this report the preparation and undertaking of this procurement requires external expertise. To ensure the right knowledge and experience is available to undertake and advise on this procurement the following external advisors have been appointed:

- Trowers&Hamblins;
- Ernst & Young;
- Stace Project Management;
- Ove Arup.

3.7.2 The costs of undertaking this procurement is set out in part 2 of this report.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 Existing Frameworks

4.1.1 The team did identify the SCAPE and the London Development Panel Framework as suitable frameworks to use for the procurement. However, both are deemed sub-optimal solutions to procure the main contract for the strategic road and flood alleviation works.

4.1.2 The SCAPE framework is a single contractor construction framework. A key disadvantage of utilising the Scape framework is the lack of early competition in the selection process, which could result in cost escalation. Furthermore, a single supplier framework requires the Council to re-procure the works in the situation of default or poor performance. The preferred procurement route setting up the Council's

own framework via a dialogue process, will give the Council greater control over the pricing mechanism and help to achieve value for money.

- 4.1.3 A further disadvantage of the SCAPE Framework is the uncertainty on the delivery team that would be offered, giving the Council no guarantee on quality of the team. The process set by the SCAPE framework to work up preliminary proposals and funding agreement could take a minimum of 3 months to complete. Consequently, this reduces the perceived time advantage of contractor selection from the Scape Framework.
- 4.1.4 The London Development Panel (LDP) Framework offers development and construction services and 29 well-established providers are on the framework. The key disadvantage regarding the use of this framework arises from the fact that the providers on the framework are developers, house builders, contractors and Registered Providers. This would imply that the infrastructure contractor will be appointed through a developer partner, who will apply on-costs and further drive up the price, restrict the choice of contractors and restrict LBE's direct contact with the infrastructure contractor.

4.2 Restricted Procedure

- 4.2.1 A restricted procedure is compliant with the Public Contracts Regulations 2015 and is considered suitable to procure the strategic road and flood alleviation works. Whilst it is a relatively swift process (usually taking between 6-8 months to complete), a restricted procedure would not allow any engagement, dialogue or negotiation with bidders.
- 4.2.2 Given the status of the essential design information, the potential reluctance of the market to accept contract terms without negotiation and the desirability to continue the design development in conjunction with the main contractor, the tender documents will need further refinement or negotiation with bidders. Therefore, this tender process is deemed unfit to procure the scope of works in the current circumstances.

4.3 Single Stage Tender

- 4.3.1 A single stage tender would require LBE to work up a full Technical Design (RIBA Stage 4) and issue a traditional tender package for a lump sum fixed price.
- 4.3.2 This procurement process would provide a greater degree of cost certainty than a two-stage process, however it is deemed unsuitable given the stage of design development and the challenge to finalise the works prior to the funding deadline. The extended design period could significantly delay the design and construction programme.
- 4.3.3 Additionally, this approach would make the transfer of design risk to the contractor much more difficult and does not offer the desired flexibility for the market to adapt or develop suitable solutions or the possibility to

dialogue on potentially onerous contract terms, which could deter bidders.

4.4 Disaggregation of the Infrastructure Works

4.4.1 There is a possibility of disaggregating the infrastructure works into a series of separate contracts, for example:

- Demolition, Site Clearance and Earthworks Contract
- Site Remediation Contract
- Roads and Bridges Contract

4.4.2 Disaggregation has the advantage of allowing 'specialist contractors' to deliver work packages individually at a competitive price but there would also be several disadvantages. These are:

- LBE would be responsible for any overruns on each individual contract in respect of successor contracts (albeit that this could be mitigated by utilisation of delay damages).
- There would be multiple mobilisation and de-mobilisation periods for separate contractors resulting in a longer construction period.
- The cost of multiple mobilisation and de-mobilisation periods could negate any price advantage secured via the use of multiple contracts.
- Successor contracts could be delayed by defects resulting from earlier contracts.
- There would be multiple design and construction responsibilities/liabilities spread across several separate contractors.
- The liability for defects could be 'blurred' by overlapping contracts and LBE could be dealing with several separate contractors for any defects identified.

4.4.3 By comparison the use of a single contractor to deliver the infrastructure works has the following advantages:

- There will be a seamless transfer (and works could overlap) between the separate work packages.
- There is a single point of design and construction responsibility for all of the works.
- Any programme overruns on individual work packages remains the responsibility of the single contractor.
- There will be one point of Health & Safety responsibility for the whole site.

On balance, disaggregating the works would present a higher project delivery risk to LBE than delivery through a single contract.

4.5 Single Contract for all of the Works

4.5.1 A two stage single supplier contract approach has been considered, but deemed unsuitable for the project, given the uncertainties of land

ownership. The scope of works includes work located on privately owned land. If land is not made available on time through acquisition, CPO or other contractual arrangements, the full scope of works will need to be reviewed, which could result in significant variations to the scope of works. Significant changes to the tendered scope of works does pose a risk to the Council of legal challenge and/ or significant compensation payments for works not carried out.

4.6 Single supplier framework

4.6.1 A further approach considered for this procurement is a single supplier framework. A single supplier framework does offer the Council the flexibility to instruct specific works and services as and when they are required and doesn't commit the Council to instructing the individual works packages until a call-off contract has been signed.

4.6.2 However, a single supplier framework does introduce a loss of competition once the contractor is appointed to the framework agreement and therefore risk of cost escalation. The contractor can become complacent which could affect performance / service delivery and result in potentially higher priced call-off work packages. Furthermore, a single supplier framework requires the Council to re-procure in case of default, which risk can be mitigated by the use of a multi-party framework.

5. REASONS FOR RECOMMENDATIONS

5.1 The multiple supplier framework approach is suitable for the scope of works, given that the exact design and the land acquisition will not have been confirmed at the point of procurement. The framework approach allows the Council the flexibility to instruct specific works and services as and when they are required and doesn't commit the Council to instructing the individual works packages until a call-off contract has been signed.

5.2 The Competitive Dialogue process leading to a multiple supplier framework agreement addresses the four key issues for the procurement process:

- Status of essential design development information;
- Ability to negotiate contract terms; and
- Status of the land acquisition.

5.3 The Competitive Dialogue process allows forthcoming design information to be considered and can be structured to allow Enfield to refine the specification within the limits of the OJEU rules. The process also offers the possibility to flag onerous contract terms and negotiate with bidders in a procurement compliant and commercial manner.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

See part 2 of this report.

6.2 Legal Implications

MD: 17th August 2019

- 6.2.1 The Council has sought advice from external legal advisors Trowers & Hamlins LLP in relation to the procurement of the strategic infrastructure works. Officers should continue to seek specialist legal advice when appropriate throughout the procurement process.
- 6.2.2 Pursuant to section 8 of the Housing Act 1985, the Council is required to consider the housing conditions and needs in its area with respect to the provision of further housing accommodation. The Council has the power under section 13 of that Act to lay out and construct public streets or roads and open spaces on land acquired by it for housing purposes. Furthermore, section 1 of the Localism Act 2011 provides the Council with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the "general power of competence". A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others. It is therefore considered that the Council has sufficient powers to procure a contractor to undertake the works described in this Report.
- 6.2.3 Any procurement must be conducted in accordance with the Council's Constitution, including the Contract Procedure Rules, and the Public Contracts Regulations 2015. At its meeting on 25 October 2018 the Procurement and Commissioning Review Board approved the procurement. Given the specialist nature of the works, any procurement should be carried out in conjunction with the Council's Highways and Corporate Maintenance and Construction departments.
- 6.2.4 It is intended that the strategic infrastructure works will be funded from the Housing Infrastructure Fund (HIF). MHCLG has announced that the bid for funding has been successful. However, the award of funds will be subject to negotiation of detailed terms and the satisfaction by the Council and the GLA of various pre-contract conditions. Officers must continue to review the conduct and scope of the procurement which is the subject matter of this report in light of such negotiations and any conditions of funding.
- 6.2.5 It is proposed that the Council procure a framework of contractors to deliver the infrastructure works. Frameworks are permitted by and governed by Regulation 33(2) of the Public Contracts Regulations 2015. A framework is considered suitable for this procurement because of the

likely variable scope of the works, given that funding and design will not have been confirmed at the point of procurement. In order to avoid any loss of profit claims from framework contractors, the framework agreement must be drafted so as to ensure that there is no obligation on the Council to offer any particular works packages. The contract documents, including the framework agreement, must also clearly and unambiguously set out the process by which works packages will be awarded, the circumstances in which contracts with the first ranked contractor may be terminated, and the procedures for calling-off works packages.

- 6.2.6 It is proposed that the works are procured by way of a "lean" competitive dialogue procedure. A competitive dialogue procedure may only be used if (a) the needs of the Council cannot be met without adaptation of a readily available solution; (b) they include design or innovative solutions; (c) the contract cannot be awarded without prior negotiation because of the specific circumstances related to the nature, complexity or legal and financial make-up because of risks attaching to them; (d) the technical specifications cannot be established with sufficient precision. This report sets out the rationale for use of the competitive dialogue procedure. A note justifying its use must be retained for use in the report required pursuant to Regulation 84 of the Regulations. In conducting a competitive dialogue procedure, the Council must comply with the requirements of Regulation 30 of the Regulations (*Competitive Dialogue: General and selection of participation*).
- 6.2.7 Given the value of the proposed works, to comply with the Council's Contract Procedure Rules, the contract documents must require the chosen bidder to provide sufficient security e.g. by way of guarantee from a parent company or ultimate holding company where finances are acceptable, or by way of performance bond, retained funds or cash deposit. The contract documents must also include adequate insurance, liability and indemnity provisions. Officers are advised to seek specialist advice in this regard.
- 6.2.8 Given the value of the proposed works and the costs to be incurred by the Council in respect of conducting the procurement, the Council's Key Decision procedure must be followed for this authority to procure and for any subsequent contract award.
- 6.2.9 The Council must ensure value for money in accordance with the overriding Best Value Principles under the Local Government Act 1999.
- 6.2.10 Officers must ensure that the phasing of the infrastructure works forming the subject matter of this report is consistent with the Council's contractual obligations in respect of other development activity at Meridian Water as well as the Council's obligations as landlord.
- 6.2.11 In the absence of private treaty, and subject to Cabinet's approval, it is proposed to use the Council's compulsory purchase powers to acquire

sites necessary for the implementation of the strategic infrastructure works. Under s226(1)(a) of the Town and Country Planning Act 1990 (as amended) (the Act) a local authority has a general power to make a compulsory acquisition of any land in their area to facilitate the carrying out of development, redevelopment or improvement in relation to the land. In order to exercise the s226 powers, the local authority must demonstrate that the proposed development/improvement is likely to contribute towards the promotion or improvement of the economic, social or environmental wellbeing of their area. Further legal implications relating to the CPO will be contained in the relevant Cabinet report dealing with such matters. Any works phasing plan will need to consider the Council's land ownership and the timetable for any acquisitions.

6.3 Property Implications

The recommendations in this report do not have any property implications.

6.4 Procurement Implications

- 6.4.1 All procurement must be carried out in accordance with the Council's Contract Procedure Rules, and the Public Contracts Regulations 2015.
- 6.4.2 A Prior Information Notice (PIN) was issued by Enfield Council on 5 April 2019 whereby interested parties were invited to attend a Market Engagement event on 26 April. This PIN is attached to Part 1 of this report.
- 6.4.3 The Procurement & Commissioning Hub is taking an active role in this procurement to ensure compliance with the Council's Contract Procedure Rules, and the Public Contracts Regulations 2015.
- 6.4.4 The award and future management of the contract must be managed through the London Tenders Portal.
- 6.4.5 Stace is acting as the Client Lead on the project, carrying out the Project Management and Programme Management role including preparation of tender documents. In relation to the tender documents the role of procurement is to ensure compliance with the 2015 Public Contract Regulations and providing challenge to the route to market to ensure best outcomes
- 6.4.6 Stace carried out Options Appraisals on the procurement strategy and the final version recommended a Competitive Dialogue multi-party framework under a Restricted Procedure. The work would be called off in packages with the top ranked appointed contractor using a Tier 1 and Tier 2 contractual arrangement

6.4.7 Procurement has inputted throughout the procurement by:

- I. Providing challenge regarding:
 - the appropriate route to market
 - the operation of the framework agreement
 - the contractual arrangements for the works
 - challenging the input of the Project Manager
- II. Providing advice regarding:
 - the post award contract management and
 - sub-contractor/contractor payments
- III. Suggesting recommendations regarding scope of included work beyond the HIF procurement
- IV. Streamlining the shortlisting process for applicants by the use of Constructionline
- V. Suggesting recommendations on post appointment market engagement events between the chosen contractor and potential local SMEs

6.4.8 Stace has produced a Risk Register with a mitigation plan against each item. We believe that careful cost management will be required going forward to ensure that the scheme comes within budget. Stace has confirmed that if the project is over budget, they will value engineer the scheme. A high level of project management will also be required post contract to monitor and contain costs. An appropriate design contingency will be required together with a contingency to cover the unforeseen events. We recommend that the risk register and change control process continues to be monitored throughout the project.

7. KEY RISKS

7.1 **Risk: The Housing Infrastructure Fund is not or only partially secured.**

MHCLG has announced that the bid for funding has been successful. However, the award of funds will be subject to negotiation of detailed terms and the satisfaction by the Council and the GLA of various pre-contract conditions.

Mitigation: Officers continue to review the conduct and scope of the procurement in light of such negotiations and any conditions of funding. If following negotiation of funding terms it transpires that a materially lower amount of HIF funding will be provided than requested, the phasing and the scope of works will need to be reviewed. Procurement of a framework gives the Council some flexibility to do this.

7.2 **Risk: Inability to select a bidder**

The procurement process, contractual terms or specification deter contractors to bid for this opportunity or invite excessive risk pricing as

the process, terms or specification are considered as too onerous and non-market friendly.

Mitigation: Early market engagement with potential bidder to flag up any issues that could discourage bidders or cause risk pricing and to explain the flexibility of the procurement process. The drafting of the contract documentation takes on board the outcomes of the early market engagement in the decision on the preferred procurement approach.

7.3 Risk: Lengthy procurement process

The overall time-frame on the Competitive Dialogue process causes an excessively lengthy process resulting in the Council being unable to appoint a main contractor on time and deliver the strategic road and flood alleviation ahead of the funding deadline.

Mitigation: Stace project management has been appointed to carefully manage the Competitive Dialogue Process with the help of Trowers & Hamlins LLP and the Council's internal Procurement and Legal teams. Dialogue will be limited to a small number of specific issues and a clear overall timetable will be set and communicated in the tender documents.

7.4 Risk: Land in private ownership

The scope of works includes works located on privately owned land. If land is not made available on time through acquisition, CPO or other contractual arrangements the full scope of works can't be carried out or delivery of works will be delayed.

Mitigation: It is recommended to set up a Framework Agreement, which allows the Council to call off specific works and services if and when required and does not commit the Council to instructing works until call-off contract is signed. This allow the Council to only instruct work if and when land is available for the delivery of the proposed works.

7.5 Risk: Planning consent not obtained or delayed

Planning consent needs to be obtained prior to start of the main works. If the planning consent is delayed or not obtained timely delivery of the works and consequently the HIF funding is at risk.

Mitigation: Hold Pre-Application meetings with LBE Planning Department. Prepare Meridian Water Masterplan diagrams; infrastructure plans and Transport Assessment to demonstrate that the planning application for the infrastructure works can be justified as a stand-alone application. Ensure that the supporting strategic transport modelling will be available prior to planning committee in November 2019.

7.6 Risk: Limited suitable suppliers

Due to the nature and value of the tendered scope of work a limited number of suppliers is capable and/or willing to tender for the work, resulting in insufficient tender responses.

Mitigation: Early market engagement with potential bidder to identify willingness of the market to tender for the works and issues that could discourage bidders to tender. The design of the procurement process and drafting of the contract documentation takes on board the outcomes of the early market engagement in the decision on the preferred procurement approach.

7.7 Risk: Uncertainty on design information

At this stage of the project, some extents of the works are uncertain. The uncertainties are related to essential pieces of design information that are forthcoming: Ground Investigation Survey, Flood Alleviation Strategy, Transport Modelling and Full planning consent.

Mitigation: An appropriate contingency allowance has been included in the cost plan to cover the associated risk. Preliminary reports and design information will be shared with the contractor during the tender period to reduce uncertain items to the minimum.

8. INTERNAL DEPARTMENT IMPLICATIONS/CONSULTATION

Not appropriate.

9. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

9.1 Good homes in well-connected neighbourhoods

The recommendations in this report do provide the authority to start procuring a main contractor to finalise the strategic road infrastructure and flood alleviation works. The construction of these key pieces of infrastructure will unlock new housing development in Meridian Water.

9.2 Sustain strong and healthy communities

The scope of works does include several green spaces linking up with existing green spaces in the area and thereby enhancing the value of the local green infrastructure. Next design stages of the strategic infrastructure will give full consideration as to how the proposed works can contribute to the health and wellbeing of the existing and future communities in the area.

9.3 Build our local economy to create a thriving place

The delivery of strategic road and flood alleviation works will unlock the Meridian Water area and significantly increase accessibility of the site, especially by public transport. It is expected that increased accessibility will support local businesses, as well as attract new jobs and business growth in the area supporting Enfield residents and the local economy.

10. EQUALITY IMPACT IMPLICATIONS

- 10.1 Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report.
- 10.2 It should be noted that projects or workstreams deriving from this may be subject to a separate Equalities Impact Assessment (EqIA). Therefore, any projects or workstreams will be assessed independently on its need to undertake an EqIA to ensure that the Council meets the Public Duty of the Equality Act 2010.

11. PERFORMANCE MANAGEMENT IMPLICATIONS

Once the main contractor is appointed the performance of the main contractor will be overseen by a project management consultancy on behalf of the Meridian Water Team.

12. HEALTH AND SAFETY IMPLICATIONS

The recommendations in this report do not have any health and safety implications. Pre-Construction Health and Safety Information will be included in the tender information.

13. PUBLIC HEALTH IMPLICATIONS

Meridian Water is poorly connected by public transport, walking and cycling and although the site lies adjacent to the North Circular Road and Meridian Way, a strategic north-south route, the central and eastern part of the site have no direct connection to the proposed railway station, the most important piece of new infrastructure. The intervention proposed for the development should address these site constraints and design-in foundations to prioritise walking and cycling. The infrastructure designs should be grounded on an urban structure that improves the environment and to encourage healthy lifestyle. The utilities corridor should also be designed to provide specs for smart technologies, introduce suitable energy infrastructure to help residents save energy bills and improve air quality.

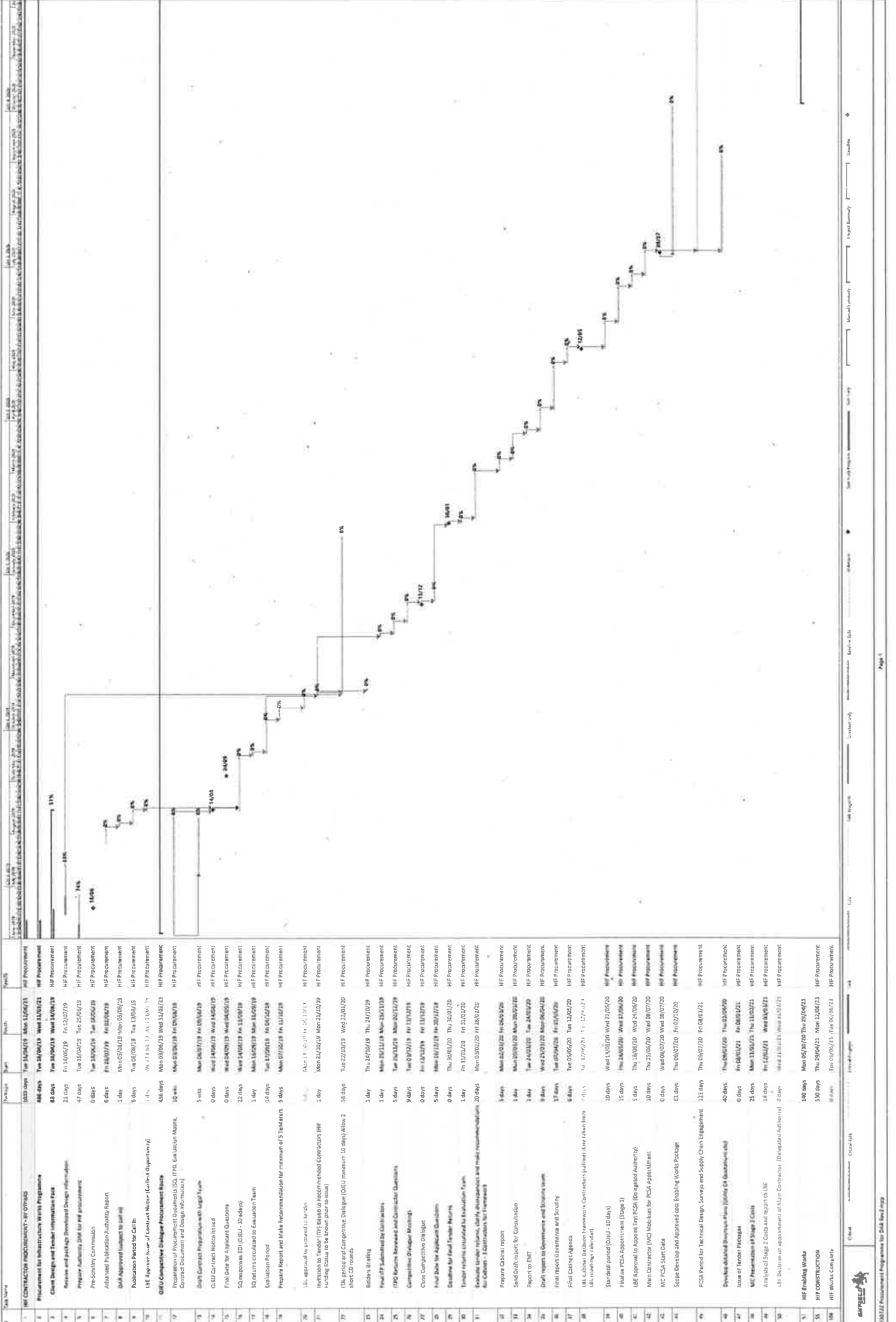
Background Papers

APPENDIX 1.1	Responsibility Matrix
APPENDIX 1.2	Extract HIF Business Case - Project Governance and Structure
APPENDIX 1.3	Proposed Scope of Works
APPENDIX 1.4	Prior Information Notice
APPENDIX 1.5	Memorandum of Information

Part 1

Appendix 1.1: Procurement Programme

190710 MERIDIAN WATER - HIF PROCUREMENT PROGRAMME



Part 1

Appendix 1.2: Responsibility Matrix



Project Details	
Client :	London Borough of Enfield
Project Name :	Meridian Water HIF
Project Reference :	2018/0195
Revision :	Draft for Comment
Date :	22/07/2019
Prepared by :	Jenny Braid

Consultant	Role(s)
LBE	Client
LBE	Legal
LBE	Procurement
LBE	Finance
Stace LLP - PM / QS	Project Management / Quantity Surveyor
ARUP	Designers / Planning Consultant / Engineers
KCA	Architects
Periscope	Landscape Architects
Trowers & Hamlin (T&H)	Legal Advisors
EY	Financial Advisor
TBC	Contractor

PLEASE NOTE: This Matrix is to be read in conjunction with consultant's scope of services agreed in consultant appointments.
 This Matrix includes core services but does not include construction detail or full extent of roles and Responsibilities.

PROCUREMENT ROLES AND RESPONSIBILITY MATRIX															
Task/Ref	Info/packages	Company	Discipline	Lead	Management			Documentation					Contractors Design Package (CDP)	Comments	
					Advise	Review	Calcs	Design Intent	Schematics	Construction	As-built Information	Schedules			Performance
1	Engineering Design	LBE	Client			X									
		LBE	Legal												
		LBE	Procurement												
		LBE	Finance												
		STACE	PM			X									
		STACE	QS												
		ARUP	Designers	X			X						X		
		ARUP	Planning Consultant			X									
		ARUP	Engineers			X			X				X		
		KCA	Architects			X			X				X		
		Periscope	Landscape Architects												
		T&H	Legal Advisors												
		EY	Financial Advisors												
		TBC	Contractor						X	X	X			X	

PROCUREMENT ROLES AND RESPONSIBILITY MATRIX

Task/Ref	Info/packages	Company	Discipline	Lead	Management	Review	Calcs	Documentation					Contractors Design Package (CDP)			Comments				
								Design Intent	Schematics	Construction	As-built Information	Schedules	Performance	Full	Specification					
2	Architectural Design	LBE	Client			X														
		LBE	Legal																	
		LBE	Procurement																	
		LBE	Finance																	
		STACE	PM				X													
		STACE	QS			X														
		ARUP	Designers			X														
		ARUP	Planning Consultant			X														
		ARUP	Engineers	X																
		KCA	Architects			X														
		Periscope	Landscape Architects																	
		T&H	Legal Advisors																	
		EY	Financial Advisors								X	X	X							
		TBC	Contractor																	X
3	Landscape Design	LBE	Client																	
		LBE	Legal																	
		LBE	Procurement																	
		LBE	Finance																	
		STACE	PM				X													
		STACE	QS			X														
		ARUP	Designers			X														
		ARUP	Planning Consultant			X														
		ARUP	Engineers			X														
		KCA	Architects			X														
		Periscope	Landscape Architects																	
		T&H	Legal Advisors	X																
		EY	Financial Advisors																	
		TBC	Contractor								X	X	X							X

PROCUREMENT ROLES AND RESPONSIBILITY MATRIX

Task/Ref	Info/packages	Company	Discipline	Lead	Management		Calcs	Documentation						Comments					
					Advise	Review		Design Intent	Schematics	Construction	As-built Information	Schedules	Performance		Full	Contractors Design Package (CDP)			
4	Planning Application	LBE	Client			X													
		LBE	Legal			X													
		LBE	Procurement				X												
		LBE	Finance																
		STACE	PM				X												
		STACE	DS																
		ARUP	Designers					X											
		ARUP	Planning Consultant		X														
		ARUP	Engineers				X												
		KCA	Architects				X												
		Periscope	Landscape Architects				X												
		T&H	Legal Advisors					X											
		EY	Financial Advisors																
TBC	Contractor																		
5	Programme	LBE	Client			X													
		LBE	Legal				X												
		LBE	Procurement				X												
		LBE	Finance																
		STACE	PM					X											
		STACE	DS																
		ARUP	Designers					X											
		ARUP	Planning Consultant			X													
		ARUP	Engineers				X												
		KCA	Architects				X												
		Periscope	Landscape Architects				X												
		T&H	Legal Advisors																
		EY	Financial Advisors																
TBC	Contractor																		



PROCUREMENT ROLES AND RESPONSIBILITY MATRIX

Task/Ref	Info/packages	Company	Discipline	Lead	Management			Documentation						Comments									
					Advise	Review	Calts	Design Intent	Schematics	Construction	As-built Information	Schedules	Performance		Full	Contractors Design Package (CDP)							
4	Procurement Method	LBE	Client																	LBE to have final decision on procurement route			
		LBE	Legal			X															Input required for DAR		
		LBE	Procurement			X															Input required for DAR		
		LBE	Finance			X																	
		STACE	PM		X																Procurement Recommendation to be prepared		
		STACE	QS				X														Input required for DAR		
		ARUP	Designers																				
		ARUP	Planning Consultant																				
		ARUP	Engineers																				
		KCA	Architects																				
		Periscope	Landscape Architects																				
T&H	Legal Advisors				X															Advise on EU Regulations			
EY	Financial Advisors				X																		
TBC	Contractor																						
6	Procurement Documentation	LBE	Client																				
		LBE	Legal				X														Draft Contract Documents		
		LBE	Procurement			X																Prepare SOQ and ITPD	
		LBE	Finance			X																	
		STACE	PM		X																		
		STACE	QS				X																
		ARUP	Designers			X																	
		ARUP	Planning Consultant			X																	
		ARUP	Engineers			X																	
		KCA	Architects			X																	
		Periscope	Landscape Architects			X																	
T&H	Legal Advisors				X																ITPD and PCSA draft		
EY	Financial Advisors				X																		
TBC	Contractor																						

PROCUREMENT ROLES AND RESPONSIBILITY MATRIX

Task/Ref	Info/packages	Company	Discipline	Lead	Management			Gates	Documentation					Comments								
					Advise	Review	Review		Design Intent	Schematics	Construction	As-built Information	Schedules		Performance	Specification	Contractors Design Package (CDP)					
7	Contractor Engagement	LBE	Client																			
		LBE	Legal				X															
		LBE	Procurement			X																
		LBE	Finance																			
		STACE	PM		X																	
		STACE	QS				X															
		ARUP	Designers					X														
		ARUP	Planning Consultant						X													
		ARUP	Engineers																			
		KCA	Architects																			
		Periscope	Landscape Architects																			
		T&H	Legal Advisors						X													
		EY	Financial Advisors																			
TBC	Contractor																					
8	Selection Questionnaire	LBE	Client																			
		LBE	Legal				X															
		LBE	Procurement		X																	
		LBE	Finance																			
		STACE	PM				X															
		STACE	QS					X														
		ARUP	Designers																			
		ARUP	Planning Consultant																			
		ARUP	Engineers																			
		KCA	Architects																			
		Periscope	Landscape Architects																			
		T&H	Legal Advisors						X													
		EY	Financial Advisors																			
TBC	Contractor																					

PROCUREMENT ROLES AND RESPONSIBILITY MATRIX

Task/Ref	Info/packages	Company	Discipline	Lead	Advise	Review	Documentation						Comments								
							Calcs	Design Intent	Schematics	Construction	As-built Information	Schedules		Performance	Full	Contractors Design Package (CDP)					
9	SQ evaluation and Contractor Shortlist Recommendation	LBE	Client																		
		LBE	Legal			X															
		LBE	Procurement		X																
		LBE	Finance				X														
		STACE	PM			X															
		STACE	QS			X															
		ARUP	Designers			X															
		ARUP	Planning Consultant																		
		ARUP	Engineers				X														
		KCA	Architects				X														
		Periscope	Landscape Architects				X														
		T&H	Legal Advisors				X														
		EY	Financial Advisors				X														
		TBC	Contractor																		
10	Preparation of Information to Tender (ITPD)	LBE	Client																		
		LBE	Legal			X															
		LBE	Procurement			X															
		LBE	Finance																		
		STACE	PM		X																
		STACE	QS			X															
		ARUP	Designers																		
		ARUP	Planning Consultant																		
		ARUP	Engineers																		
		KCA	Architects																		
		T&H	Legal Advisors				X														
		EY	Financial Advisors																		
		TBC	Contractor																		

PROCUREMENT ROLES AND RESPONSIBILITY MATRIX

Task/Ref	Info/packages	Company	Discipline	Lead	Advise	Review	Calls	Documentation						Comments				
								Design Intent	Schematics	Construction	As-built Information	Schedules	Performance		Full	Specification		
11	Competitive Dialogue	LBE	Client		X													
		LBE	Legal			X												
		LBE	Procurement		X													
		LBE	Finance															
		STACE	PM		X													
		STACE	QS			X												
		ARUP	Designers				X											
		ARUP	Planning Consultant					X										
		ARUP	Engineers				X											
		KCA	Architects				X											
		Periscope	Landscape Architects				X											
	T&H	Legal Advisors			X													
	EY	Financial Advisors				X												
	TBC	Contractor																
11	Tender Evaluation and Review of submission	LBE	Client		X													
		LBE	Legal			X												
		LBE	Procurement		X													
		LBE	Finance															
		STACE	PM		X													
		STACE	QS			X												
		ARUP	Designers				X											
		ARUP	Planning Consultant					X										
		ARUP	Engineers				X											
		KCA	Architects				X											
		Periscope	Landscape Architects				X											
	T&H	Legal Advisors			X													
	EY	Financial Advisors				X												
	TBC	Contractor																



PROCUREMENT ROLES AND RESPONSIBILITY MATRIX

Task/Ref	Info/packages	Company	Discipline	Lead	Management		Documentation							Comments					
					Advise	Review	Calcs	Design Intent	Schematics	Construction	As-built Information	Schedules	Performance		Full	Contractors Design Package (CDP)			
12	Recommendation of preferred contractor	LBE	Client																
		LBE	Legal				X												
		LBE	Procurement			X													
		LBE	Finance																
		STACE	PM		X														
		STACE	QS				X												
		ARUP	Designers																
		ARUP	Planning Consultant																
		ARUP	Engineers																
		KCA	Architects																
		Periscope	Landscape Architects																
		T&H	Legal Advisors					X											
EY	Financial Advisors					X													
TBC	Contractor																		
13	Agreement to Recommended contractor	LBE	Client		X														
		LBE	Legal				X												
		LBE	Procurement				X												
		LBE	Finance																
		STACE	PM				X												
		STACE	QS				X												
		ARUP	Designers																
		ARUP	Planning Consultant																
		ARUP	Engineers																
		KCA	Architects																
		Periscope	Landscape Architects																
		T&H	Legal Advisors																
EY	Financial Advisors																		
TBC	Contractor																		

To be signed off by LBE Cabinet

PROCUREMENT ROLES AND RESPONSIBILITY MATRIX

Task/Ref	Info/packages	Company	Discipline	Lead	Advise	Review	Calcs	Documentation						Comments			
								Design Intent	Schematics	Construction	As-built Information	Schedules	Performance		Full	Contractors Design Package (CDP)	
14	Preparation of PCSA	LBE	Client			X											
		LBE	Legal		X												
		LBE	Procurement		X												
		LBE	Finance														
		STACE	PM		X												
		STACE	QS		X												
		ARUP	Designers														
		ARUP	Planning Consultant														
		ARUP	Engineers														
		KCA	Architects														
		Periscope	Landscape Architects														
		T&H	Legal Advisors	X													
		EY	Financial Advisors				X										
		TBC	Contractor														
15	Assessment of Contract Sum	LBE	Client			X											
		LBE	Legal			X											
		LBE	Procurement		X												
		LBE	Finance														
		STACE	PM		X												
		STACE	QS	X													
		ARUP	Designers				X										
		ARUP	Planning Consultant														
		ARUP	Engineers				X										
		KCA	Architects				X										
		Periscope	Landscape Architects														
		T&H	Legal Advisors														
		EY	Financial Advisors				X										
		TBC	Contractor			X											

PROCUREMENT ROLES AND RESPONSIBILITY MATRIX

Task/ief	Info/packages	Company	Discipline	Lead	Management		Documentation						Comments								
					Advise	Review	Calcs	Design Intent	Schematics	Construction	As-built Information	Schedules		Performance	Full	Contractors Design Package (CDP)					
16	Preparation of Contract	LBE	Client																		
		LBE	Legal			X															
		LBE	Procurement			X															
		LBE	Finance				X														
		STACE	PM			X															
		STACE	QS			X															
		ARUP	Designers																		
		ARUP	Planning Consultant																		
		ARUP	Engineers																		
		KCA	Architects																		
		17	Agreement to Contract	LBE	Client		X														
LBE	Legal																				
LBE	Procurement					X															
LBE	Finance					X															
STACE	PM					X															
STACE	QS			X																	
ARUP	Designers																				
ARUP	Planning Consultant																				
ARUP	Engineers																				
KCA	Architects																				
Periscope	Landscape Architects																				
T&H	Legal Advisors			X																	
EY	Financial Advisors					X															
TBC	Contractor																				
17	Agreement to Contract	LBE	Client		X																
		LBE	Legal																		
		LBE	Procurement			X															
		LBE	Finance			X															
		STACE	PM			X															
		STACE	QS			X															
		ARUP	Designers																		
		ARUP	Planning Consultant																		
		ARUP	Engineers																		
		KCA	Architects																		
		Periscope	Landscape Architects																		
T&H	Legal Advisors																				
EY	Financial Advisors																				
TBC	Contractor					X															

PROCUREMENT ROLES AND RESPONSIBILITY MATRIX

Task/Ref	Info/packages	Company	Discipline	Management			Documentation							Comments			
				Lead	Advise	Review	Calcs.	Design Intent	Schematics	Construction	As-built Information	Schedules	Performance		Full	Contractors Design Package (CDP)	
18	Administration of Contract	LBE	Client			X											
		LBE	Legal		X												
		LBE	Procurement														
		LBE	Finance														
		STACE	PM	X													
		STACE	QS		X												
		ARUP	Designers		X												Post Contract Appointment - Approval of Contractor Design
		ARUP	Planning Consultant														
		ARUP	Engineers		X												Post Contract Appointment - Approval of Contractor Design
		KCA	Architects		X												Post Contract Appointment - Approval of Contractor Design
		Periscope	Landscape Architects		X												Post Contract Appointment - Approval of Contractor Design
		T&H	Legal Advisors		X												Post Contract Appointment - Approval of Contractor Design
		EY	Financial Advisors														
		TBC	Contractor		X												

Part 1

Appendix 1.3: Extract HIF Business Case - Project Governance and Structure

The HIF Programme Delivery Board has been established to support delivery of HIF-funded schemes. Its role is to:

- Provide the leadership and support necessary to ensure successful delivery of the HIF Programme in London by identifying and leveraging synergies, mitigating risks and managing dependencies
- Oversee programme management of the Marginal Viability Fund in London on behalf of MHCLG, proactively monitoring and managing underspends and, where necessary, proposing substitute schemes for approval by MHCLG
- Ensure a robust programme assurance framework is in place to ensure value for money and appropriate risk management in relation to project outputs and outcomes, including the delivery of a significant number of new homes
- Monitor programme delivery to ensure compliance with all applicable legal requirements including state aid, public procurement law and the Public Sector Equality Duty,
- Receive quarterly reports on FF and MVF projects and monitor progress in the delivery of infrastructure and spend against project profile and programme longstops
- Provide quarterly reports to Housing and Land Directors Management Team on project risks and progress in delivery
- Review proposed changes to FF projects and agree change requests prior to submitting to MHCLG for approval
- Commission evaluation surveys of London HIF projects, as necessary, to meet MHCLG requirements

Its membership is as follows:

- David Lunts (Chair) Executive Director Housing and Land
- Lucy Owen-Executive Director Business Enterprise and Environment
- Lucinda Turner-Director of Spatial Planning TfL
- David Gallie-Assistant Director Group Finance
- Ray Smith-Senior Finance Officer
- Nick Taylor-Head of Area NW London
- Judith Carlson -Senior Area Manager NW London
- Margaret Kalaugher-Principal Policy Officer – Transport
- Andrew McMunigall-Senior Policy and Project Officer – Economic and Business Policy
- Darren Richards-OAPFs Manager, GLA Planning
- Martin Tedder -Spatial Planning, TfL
- Katharina Welbeck-London Councils

LB Enfield Governance

LB Enfield's approach to governance across three key areas is described in the table below.

Area Objectives Procedures

Roles and responsibilities To ensure that those involved in leading and delivering the programme and individual schemes have a clear understanding of their roles and responsibilities. There are agreed job descriptions and objective setting for LB Enfield staff in relation to the HIF project.

Contracts, scope of work and deliverables for each consultant (individual and corporate) working on the HIF project.

Project Initiation documents and project plans for each element of the HIF and agreed Terms of Reference for each Board / Group.

Planning and Estimating The programme and individual schemes have a clear understanding of the amount and type of resource required. A clear articulation of the level of resource skill and experience required throughout the lifetime of the scheme

Accurate estimate of the amount of resource capacity required and associated costs through active resource planning.

Risks associated with resources and associated funding form part of risk management at Programme Board level.

Allocation, prioritisation and scheduling The programme resource allocation is monitored and controlled throughout the programme lifecycles. Plans are in place setting out resource schedules and allocation and these are actively managed on a weekly basis.

A programme management structure is in place which brings together LB Enfield leads with external advisors, reporting to the Executive Management Team and ultimately to LB Enfield Cabinet. This structure is shown in the diagram provided in Section 7.2.3

and described in detail below.

LB Enfield Cabinet

LB Enfield Cabinet sets the strategic direction and makes key decisions. It is chaired by the Leader of the Council, who is also portfolio holder for Meridian Water, and meets monthly, considering Meridian Water issues as required. It is attended by the Leader, Deputy Leader, and Cabinet members with the following portfolios: Health and Social Care, Children's Services, Finance and Procurement, Housing, Environment, Property and Assets, Community Safety and Cohesion, and Public Health.

It delegated authority to the following officers as of 25 July 2018:

- Director of Meridian Water – to agree amendments to scope with in agreement with GLA and advisors
- Director of Law & Governance and Director of Meridian Water – to oversee and approve contractor procurement
- Executive Director of Resources and Executive Director of Place – to approve the Business Case and accept funding.

Executive Management Team (EMT)

The EMT is chaired by the Chief Executive and is one tier below Cabinet. The EMT is responsible for overseeing the implementation of corporate objectives, including Meridian Water. The EMT will review any major issues arising within the HIF programme against corporate objectives and priorities. It meets monthly, and is attended by the Executive Director of Place, who acts as LB Enfield's SRO on the project. All other officers with delegated authority attend, plus key Directors from across LB Enfield and other officers as required:

Meridian Water Executive Board

Beneath EMT there is a Meridian Water Executive Board, chaired by the Chief Executive. The Executive Board is responsible for overseeing the strategic goals of the Council and managing strategic risk and cross departmental priorities. The Executive Board is also a forum for integration of cross departmental programme priorities.

It meets monthly and its full membership is set out below.

- Ian Davis (Chair), Chief Executive
- Sarah Cary, Executive Director of Place
- Peter George, Meridian Water Programme Director
- Jeremy Chambers, Director of Law and Governance
- Fay Hammond, Director of Finance
- Matt Bowmer, Interim Director of Finance
- Mark Bradbury, Director of Property and Economy

Meridian Water Programme Board

The Meridian Water Programme Board sits below the Meridian Water Executive Board and brings together programme leads to ensure integration and coordination across the different strands of the Meridian Water programme including employment, strategic planning, masterplanning, phase delivery and HIF.

The Meridian Water Programme Board is responsible for managing the overall project plan, budget, assurance, interdependencies, risk and procurement strategy for the Meridian Water scheme. The Programme Board receives regular project and programme updates, risk reviews and highlight reports to ensure that the scheme is being delivered on time and on budget, and that the outputs are of the required quality. Key interdependent project issues and risks are escalated for the Executive Board to review.

The Meridian Water Programme Board meets on a weekly basis. It comprises:

- Peter George (Chair), Meridian Water Programme Director
- Strategic Programme Manager
- Lead Consultant Meridian Water (Phase 1 Delivery)
- Lead Consultant Meridian Water (HIF Project Director)
- Lead Consultant Meridian Water (Employment)
- Senior Regeneration Manager (Land and Acquisition)
- Strategic Design Manager (Masterplan)
- Head of Legal Services

- Head of Procurement and Commissioning Hub
- Head of Finance

Senior Stakeholder Group

A Senior Stakeholder Group has been established to provide a forum for engagement with key stakeholders at a strategic level. It is chaired by Richard Blakeway, a Homes England Board Director and strategic adviser on housing and regeneration for a range of organisations. Representatives of the GLA and TfL also attend, plus two independent board members and other key stakeholder organisations as required. It meets quarterly and reports to the Meridian Water Programme Board. Its full membership is as follows:

- Richard Blakeway (Chair) Independent, Homes England Board Director
- Sarah Cary-LB Enfield Executive Director of Place
- Peter George-LB Enfield Meridian Water Program Director
- James Murray-GLA Deputy Mayor, Housing and Residential Development
- Lucinda Turner-TfL Director of Spatial Planning
- Debbie Jackson-GLA Assistant Director, Regeneration
- Neil Hook-GLA Head of Area, North East London
- Independent private sector representative
- Independent public sector representative
- As required, representatives from Network Rail, Greater Anglia, Environment Agency, Government Departments and other key stakeholder organisations.

Meridian Water Steering Groups

Beneath the Programme Board sit four Steering Groups, covering employment, strategic design and planning, Phase 1 delivery, and HIF. Each one maintains a detailed project plan and risk register.

The HIF steering group comprises members from the GLA, TfL and rail delivery stakeholders as well as LB Enfield's HIF delivery project managers and consultant teams. Chaired by the Meridian Water Programme Director, it is accountable for ensuring the project is delivered against its objectives. It meets fortnightly to monitor HIF risks and overall delivery programme and is responsible for reviewing key gateway deliverables produced by contracting teams. Scope changes are reviewed by the Steering Group and material changes are escalated to the Programme Board for approval. The HIF Steering Group's full membership is shown below:

- Peter George (Chair) - Meridian Water Programme Director
- David Duffield-HIF Project Director (Stace)
- Peter Alekkou-Head of Procurement
- Melanie Dawson-Senior Regeneration Lawyer
- Olu Ayodele-Head of Finance
- Paul Gardner-Senior Regeneration Manager (Land and Acquisition)
- Lisa Woo-Strategic Design Manager (Masterplan)
- Marvin Mileham - GLA Senior Area Manager, North East London
- Claudia Penaranda - TfL Spatial Planning

The responsibilities of the remaining Steering Groups are summarised below.

- Strategic Planning and Design Steering Group: Area Action Plan; masterplan; Meridian Water planning strategy; phasing plan for overall scheme; planning applications for Phases 1 and 2 and Meridian Works; financial modelling for strategic planning; and employment strategy.
- Phase 1 Delivery Steering Group: Meridian Water station and third track; pre-construction works; developer procurement; financial modelling for Phase 1; estate management; and management of new assets.
- Employment Steering Group: employment strategy; inward investment; Meridian Works; phasing plan for employment; site acquisition; site management; and financial modelling for employment.

Part 1

Appendix 1.4: Scope of Works

Full planning application to Strategic
Infrastructure Unit (SIU)
Appropriate planning application

- SIU Codes:**
- F1 Flood alleviation works to Pymma Road Wall
 - F2 Flood alleviation works to Pymma Road Wall
 - F3 Flood alleviation works to Pymma Road Wall
 - F4 Flood alleviation works to Pymma Road Wall
 - F5 Flood alleviation works to Pymma Road Wall
 - F6 Flood alleviation works to Pymma Road Wall
 - F7 Flood alleviation works to Pymma Road Wall
 - F8 Flood alleviation works to Pymma Road Wall
 - F9 Flood alleviation works to Pymma Road Wall
 - F10 Flood alleviation works to Pymma Road Wall
 - F11 Flood alleviation works to Pymma Road Wall
 - F12 Flood alleviation works to Pymma Road Wall
 - F13 Flood alleviation works to Pymma Road Wall
 - F14 Flood alleviation works to Pymma Road Wall
 - F15 Flood alleviation works to Pymma Road Wall
 - F16 Flood alleviation works to Pymma Road Wall
 - F17 Flood alleviation works to Pymma Road Wall
 - F18 Flood alleviation works to Pymma Road Wall
 - F19 Flood alleviation works to Pymma Road Wall
 - F20 Flood alleviation works to Pymma Road Wall
 - F21 Flood alleviation works to Pymma Road Wall
 - F22 Flood alleviation works to Pymma Road Wall
 - F23 Flood alleviation works to Pymma Road Wall
 - F24 Flood alleviation works to Pymma Road Wall
 - F25 Flood alleviation works to Pymma Road Wall
 - F26 Flood alleviation works to Pymma Road Wall
 - F27 Flood alleviation works to Pymma Road Wall
 - F28 Flood alleviation works to Pymma Road Wall
 - F29 Flood alleviation works to Pymma Road Wall
 - F30 Flood alleviation works to Pymma Road Wall
 - F31 Flood alleviation works to Pymma Road Wall
 - F32 Flood alleviation works to Pymma Road Wall
 - F33 Flood alleviation works to Pymma Road Wall
 - F34 Flood alleviation works to Pymma Road Wall
 - F35 Flood alleviation works to Pymma Road Wall
 - F36 Flood alleviation works to Pymma Road Wall
 - F37 Flood alleviation works to Pymma Road Wall
 - F38 Flood alleviation works to Pymma Road Wall
 - F39 Flood alleviation works to Pymma Road Wall
 - F40 Flood alleviation works to Pymma Road Wall

Key: HIF Works

- [Symbol] Path
- [Symbol] Cycleway
- [Symbol] Footway
- [Symbol] Road
- [Symbol] Drainage
- [Symbol] Foul Drainage
- [Symbol] Sewer
- [Symbol] Water
- [Symbol] Gas
- [Symbol] Electricity
- [Symbol] Telecommunications
- [Symbol] Other

SIU Codes:

- F1 Flood alleviation works to Pymma Road Wall
- F2 Flood alleviation works to Pymma Road Wall
- F3 Flood alleviation works to Pymma Road Wall
- F4 Flood alleviation works to Pymma Road Wall
- F5 Flood alleviation works to Pymma Road Wall
- F6 Flood alleviation works to Pymma Road Wall
- F7 Flood alleviation works to Pymma Road Wall
- F8 Flood alleviation works to Pymma Road Wall
- F9 Flood alleviation works to Pymma Road Wall
- F10 Flood alleviation works to Pymma Road Wall
- F11 Flood alleviation works to Pymma Road Wall
- F12 Flood alleviation works to Pymma Road Wall
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- F30 Flood alleviation works to Pymma Road Wall
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- F35 Flood alleviation works to Pymma Road Wall
- F36 Flood alleviation works to Pymma Road Wall
- F37 Flood alleviation works to Pymma Road Wall
- F38 Flood alleviation works to Pymma Road Wall
- F39 Flood alleviation works to Pymma Road Wall
- F40 Flood alleviation works to Pymma Road Wall

- R1 Laid out on 300' Front West
- R2 Laid out on 300' Front West
- R3 Laid out on 300' Front West
- R4 Laid out on 300' Front West
- R5 Laid out on 300' Front West
- R6 Laid out on 300' Front West
- R7 Laid out on 300' Front West
- R8 Laid out on 300' Front West
- R9 Laid out on 300' Front West
- R10 Laid out on 300' Front West
- R11 Laid out on 300' Front West
- R12 Laid out on 300' Front West
- R13 Laid out on 300' Front West
- R14 Laid out on 300' Front West
- R15 Laid out on 300' Front West
- R16 Laid out on 300' Front West
- R17 Laid out on 300' Front West
- R18 Laid out on 300' Front West
- R19 Laid out on 300' Front West
- R20 Laid out on 300' Front West
- R21 Laid out on 300' Front West
- R22 Laid out on 300' Front West
- R23 Laid out on 300' Front West
- R24 Laid out on 300' Front West
- R25 Laid out on 300' Front West
- R26 Laid out on 300' Front West
- R27 Laid out on 300' Front West
- R28 Laid out on 300' Front West
- R29 Laid out on 300' Front West
- R30 Laid out on 300' Front West
- R31 Laid out on 300' Front West
- R32 Laid out on 300' Front West
- R33 Laid out on 300' Front West
- R34 Laid out on 300' Front West
- R35 Laid out on 300' Front West
- R36 Laid out on 300' Front West
- R37 Laid out on 300' Front West
- R38 Laid out on 300' Front West
- R39 Laid out on 300' Front West
- R40 Laid out on 300' Front West

SIU Code	Description
F1	Flood alleviation works to Pymma Road Wall
F2	Flood alleviation works to Pymma Road Wall
F3	Flood alleviation works to Pymma Road Wall
F4	Flood alleviation works to Pymma Road Wall
F5	Flood alleviation works to Pymma Road Wall
F6	Flood alleviation works to Pymma Road Wall
F7	Flood alleviation works to Pymma Road Wall
F8	Flood alleviation works to Pymma Road Wall
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F10	Flood alleviation works to Pymma Road Wall
F11	Flood alleviation works to Pymma Road Wall
F12	Flood alleviation works to Pymma Road Wall
F13	Flood alleviation works to Pymma Road Wall
F14	Flood alleviation works to Pymma Road Wall
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F16	Flood alleviation works to Pymma Road Wall
F17	Flood alleviation works to Pymma Road Wall
F18	Flood alleviation works to Pymma Road Wall
F19	Flood alleviation works to Pymma Road Wall
F20	Flood alleviation works to Pymma Road Wall
F21	Flood alleviation works to Pymma Road Wall
F22	Flood alleviation works to Pymma Road Wall
F23	Flood alleviation works to Pymma Road Wall
F24	Flood alleviation works to Pymma Road Wall
F25	Flood alleviation works to Pymma Road Wall
F26	Flood alleviation works to Pymma Road Wall
F27	Flood alleviation works to Pymma Road Wall
F28	Flood alleviation works to Pymma Road Wall
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F32	Flood alleviation works to Pymma Road Wall
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F34	Flood alleviation works to Pymma Road Wall
F35	Flood alleviation works to Pymma Road Wall
F36	Flood alleviation works to Pymma Road Wall
F37	Flood alleviation works to Pymma Road Wall
F38	Flood alleviation works to Pymma Road Wall
F39	Flood alleviation works to Pymma Road Wall
F40	Flood alleviation works to Pymma Road Wall

SIU Code: R1

SIU Code: R2

SIU Code: R3

SIU Code: R4

SIU Code: R5

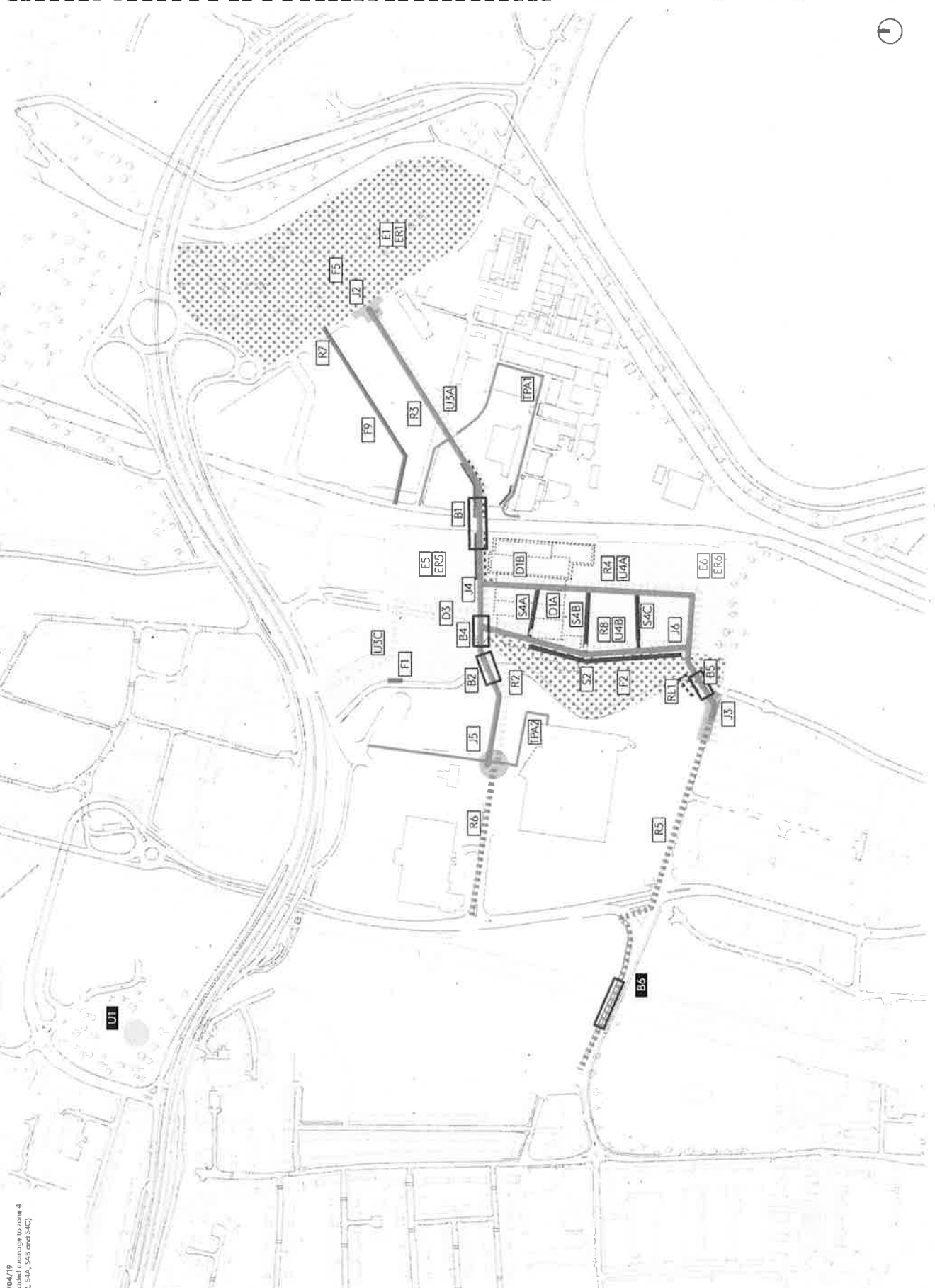
SIU Code: R6

SIU Code: R7

SIU Code: R8

SIU Code: R9

- SUMMARY OF CHANGES:**
- 01/04/19 - Primary Substation (U1) removed to Re-integrate Open Space
 - 01/04/19 - Earthworks and remediation of gas holder site (E4 and E6) removed from the scheme
 - 01/04/19 - Bailey Bridge (D4), changed from demolition to relocation
 - 01/04/19 - Relocating of items
 - 01/04/19 - Added drainage to zone 4 (S2, S4A, S4B and S4C)



Karakusevic Carson Architects
 Project: 382 MW Strategic Infrastructure
 Strategic Infrastructure Works - All
 Date: 01/04/19
 Scale: 1:2500 @ A1
 Drawn by: RM



Part 1

Appendix 1.5: Prior Information Notice

LANGUAGE:	EN
CATEGORY:	ORIG
FORM:	F01
VERSION:	R2.0.9.S03
SENDER:	GB007
CUSTOMER:	ENFLD001
NO_DOC_EXT:	2019-123456
SOFTWARE VERSION:	20190405
ORGANISATION:	Due North
COUNTRY:	UK
PHONE:	+44 8452930459
E-mail:	ojeu.administrative@due-north.com
NOTIFICATION TECHNICAL:	/
NOTIFICATION PUBLICATION:	/

Prior information notice

This notice is for prior information only

Works

Legal Basis:

Directive 2014/24/EU

Section I: Contracting authority

- I.1) **Name and addresses**
London Borough of Enfield
4th Floor, Civic Centre, Silver Street
Enfield
EN1 3XA
United Kingdom
Contact person: Ms Doreen Manning
Telephone: +44 2083791477
E-mail: Doreen.manning@enfield.gov.uk
NUTS code: UKI54
Internet address(es):
Main address: <http://www.enfield.gov.uk/>
Address of the buyer profile: <http://www.enfield.gov.uk/>
- I.2) **Information about joint procurement**
- I.3) **Communication**
Additional information can be obtained from the abovementioned address
- I.4) **Type of the contracting authority**
Regional or local authority
- I.5) **Main activity**
General public services

Section II: Object

- II.1) **Scope of the procurement**
- II.1.1) **Title:**
Meridian Water Strategic Infrastructure Works
Reference number: DN372948
- II.1.2) **Main CPV code**
45200000
- II.1.3) **Type of contract**
Works
- II.1.4) **Short description:**
The intention of Enfield Council is to set up a framework for delivery of infrastructure works to support the development at Meridian Water.
The scope of works is the delivery of strategic utility services and highways, demolition and construction works, earthworks, land remediation and bridges infrastructure to support the new Meridian Water development.

Meridian Water is a major £6bn, 25-year London regeneration programme led by Enfield Council, bringing up to 10,000 homes to Enfield, north London.

The Council reserve the right not to award call-offs from this framework or to alter the sequence of proposed works required.

For further information, please refer to the Memorandum of Information (MOI) accessible from the London Tenders Portal, website address: <https://www.londontenders.org/> search for project reference: DN372948.

II.1.5) Estimated total value

Value excluding VAT: 135 000 000.00 GBP

II.1.6) Information about lots

This contract is divided into lots: no

II.2) Description

II.2.1) Title:

II.2.2) Additional CPV code(s)

45200000

71000000

II.2.3) Place of performance

NUTS code: UKI54

II.2.4) Description of the procurement:

Procurement of a framework for delivery of main/strategic utility services and highways and bridges infrastructure to support the development at Meridian Water.

The scope of works is the delivery of strategic utility services and highways, demolition and construction works, earthworks, land remediation and bridges infrastructure to support the new Meridian Water development. This work will be allocated in phases as detailed in the MOI which is accessible from the London Tenders Portal website address: <https://www.londontenders.org/> search for project reference: DN372948. The MOI and other information can be found under the 'Expression of Interest'. The scope of the contract is primarily a works contract with an element of design development required.

Enfield Council is holding a Launch Event on 26 April, interested candidates are invited to attend this event. To attend this event, please respond to the email address shown in the invitation document which can be located under the above project reference on the London Tenders Portal (DN372948). The Council reserve the right not to award call-offs from this framework or to alter the sequence of proposed works required.

Contractor selection is by Lean Competitive Dialogue, conducted in accordance with the Public Contracts Regulations 2015. The procedure will comprise a single dialogue stage, followed by the submission of Final Tenders. Indicative dates are shown in the MOI.

II.2.14) Additional information

II.3) Estimated date of publication of contract notice:

03/05/2019

Section II: Object

II.1) Scope of the procurement

II.1.1) Title:

Meridian Water Strategic Infrastructure Works

Reference number: DN37298

II.1.2) Main CPV code

45200000

II.1.3) Type of contract

Works

II.1.4) Short description:

The intention of Enfield Council is to set up a framework for delivery of infrastructure works to support the development at Meridian Water.

The scope of works is the delivery of strategic utility services and highways, demolition and construction works, earthworks, land remediation and bridges infrastructure to support the new Meridian Water development.

Meridian Water is a major £6bn, 25-year London regeneration programme led by Enfield Council, bringing up to 10,000 homes to Enfield, north London.

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For further information, please refer to the Memorandum of Information (MOI) accessible from the London Tenders Portal, website address: <https://www.londontenders.org/> search for project reference: DN372948

II.1.5) Estimated total value

Value excluding VAT: 135 000 000.00 GBP

II.1.6) Information about lots

This contract is divided into lots: no

II.2) Description**II.2.1) Title:****II.2.2) Additional CPV code(s)**

71000000

II.2.3) Place of performance

NUTS code: UKI54

II.2.4) Description of the procurement:

Procurement of a framework for delivery of main/strategic utility services and highways and bridges infrastructure to support the development at Meridian Water.

The scope of works is the delivery of strategic utility services and highways, demolition and construction works, earthworks, land remediation and bridges infrastructure to support the new Meridian Water development. This work will be allocated in phases as detailed in the MOI which is accessible from the London Tenders Portal website address: <https://www.londontenders.org/> search for project reference: DN372948. The MOI and other information can be found under the 'Expression of Interest'. The scope of the contract is primarily a works contract with an element of design development required.

Enfield Council is holding a Launch Event on 26 April, interested candidates are invited to attend this event. To attend this event, please respond to the email address shown in the invitation document which can be located under the above project reference on the London Tenders Portal (DN372948). The Council reserve the right not to award call-offs from this framework or to alter the sequence of proposed works required.

Contractor selection is by Lean Competitive Dialogue, conducted in accordance with the Public Contracts Regulations 2015.

The procedure will comprise a single dialogue stage, followed by the submission of Final Tenders. Indicative dates are shown in the MOI.

II.2.14) Additional information**II.3) Estimated date of publication of contract notice:**

03/05/2019

Section IV: ProcedureIV.1) **Description**IV.1.8) **Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: yes

Section VI: Complementary informationVI.3) **Additional information:**

The shortlisting selection process will be by means of a questionnaire. The Council is using Constructionline (a procurement and supply chain management scheme that collects, assesses and monitors standard company information) to rationalise the procurement process. If the applicant has a verified 'Gold Standard' membership of Constructionline, the applicant will not have to complete certain sections of the Questionnaire. The 'ticket reference' for Constructionline users is: 1BTCLP.

VI.5) **Date of dispatch of this notice:**

05/04/2019

Part 1

Appendix 1.6: Memorandum of Information



**meridian
water**

STRATEGIC INFRASTRUCTURE WORKS

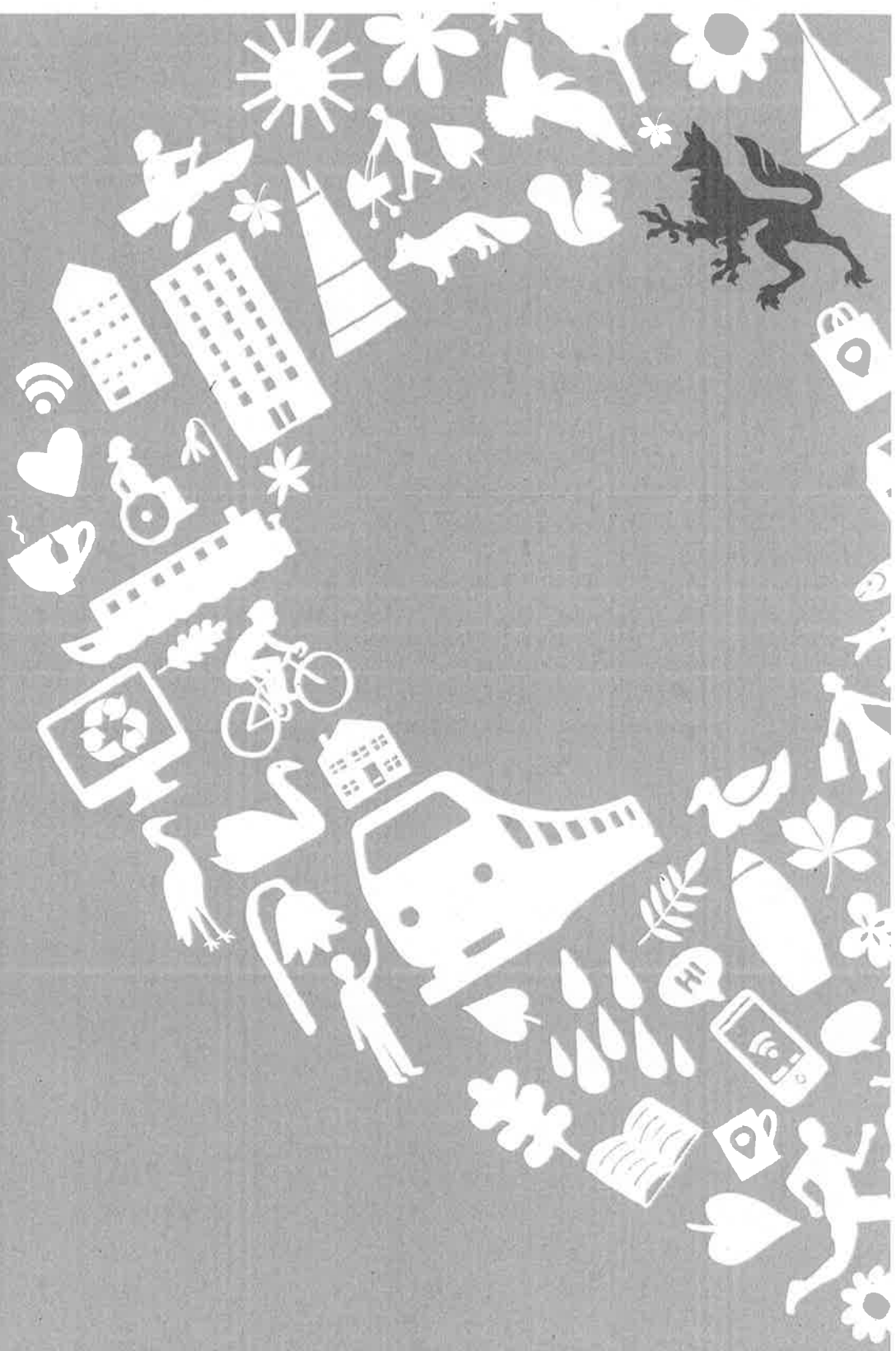
MEMORANDUM OF INFORMATION



www.meridianwater.co.uk



**STRATEGIC
INFRASTRUCTURE
WORKS**



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1 INTRODUCTION

The London Borough of Enfield (the 'Council') are leading a pioneering approach to regeneration for the long-term benefit of local people and future generations through a new housing and employment land development at Meridian Water.

Meridian Water is a major £6bn, 25-year London regeneration programme led by Enfield Council, bringing up to 10,000 homes and thousands of jobs to Enfield, north London, next door to the beautiful Lee Valley Regional Park. Alongside beautiful homes and world class public spaces and community facilities, the development will have its own brand-new railway station, unlocking the area for commuters, with better connections south to Stratford and London Liverpool Street and north to Stansted and Cambridge.

An Infrastructure Contractor is now sought to deliver the main/ strategic utility services and highways and bridges infrastructure to support the development.

The Council's 8 placemaking principles for the Meridian Water Development are:

- **PUTTING LOCAL PEOPLE FIRST**
Meridian Water will prioritise benefits for local people and reduce inequality in Enfield.
- **A THRIVING NEW ECONOMY FOR THE LEA VALLEY**
A destination for strategic business occupiers as well as small businesses, Meridian Water will be a new economic centre.
- **A BREATH OF FRESH AIR**
Climate resilience, clean energy and high quality parks are our vision. We will take great care over the life cycle of materials, embedding habits of recycling and re-use. We commit to bettering local energy provision through Energetik, our new energy company.
- **A VIBRANT MIX OF USES**
Meridian Water will be a safe and inclusive place to live, for all ages and life stages. With community participation we will co-design active, social and meaningful streets and neighbourhoods, improving health and wellbeing for all.
- **A NEW LEA VALLEY DESTINATION**
Meridian Water will be a memorable place bursting with character and fun, day and night.
- **NEW MODELS OF LIVING**
Meridian Water will offer a great choice of homes, designed to suit a full range of budgets and aspirations.
- **ALMOST CAR-FREE**
We will support healthy lifestyles by making it easy and attractive to walk and cycle, accommodating all levels of mobility.
- **PROACTIVELY ENGAGING**
Empowering communities and growing together by responding to the changing needs of local people.

The Council has already invested significant resources, particularly in land assembly, remediation and infrastructure and Meridian Water has now reached the exciting first phase of development, known as *Meridian One* and a Developer for this Phase is expected to be appointed in Spring/ Summer 2019. *Meridian Two* is now also being packaged together to commence the procurement of a Developer.

The principal funding mechanism for the strategic infrastructure is the Government's Housing Infrastructure Fund (HIF). The Council has recently been successfully selected for the Co-Development of the HIF funding application process and the bid is for £116m of HIF funding to support strategic infrastructure on the site. An announcement of whether the Council has been successful or not is expected in April 2019.

In addition to the HIF funded infrastructure works, further 'Post-HIF' infrastructure works of circa value of £19m may be awarded under this Framework Contract, if the HIF funded infrastructure works are successfully delivered.

CONNECTIVITY

Whilst HIF Rail works are not part of this procurement, accessibility is at the heart of successful development and the new Meridian Water Station is currently under construction with work programmed to be completed in May 2019. When the station opens and a 3rd track is operational it will offer 3 to 4 trains during the peak hours of 07:00-10:00am and 4.00 – 8.00pm to Tottenham Hale and Stratford and return. The HIF Rail improvements seek to enable 6 to 8 peak hour trains per hour between Meridian Water and Stratford.

The site is located on the **LONDON-STANSTED-CAMBRIDGE CORRIDOR** and road access is excellent:

A406 North Circular Road - 4 minutes;
M25 (J25) - 20 minutes;
M11 (J5) - 20 minutes;
Central London is only 9 miles away.

RAIL TIMES

Meridian Water to:
Stratford (17 min),
London Liverpool Street (24 min),
West End (35 min) Stansted (45 min)

2 SITE LOCATION

Currently best known as the home of Ikea and Tesco, Meridian Water is located in the south of the London Borough of Enfield between Edmonton, Tottenham and Walthamstow.

It sits next door to the beautiful parklands and iconic sports facilities of the 10,000-acre Lee Valley Regional Park, and benefits from the River Lea and the adjacent Pymmes Brook passing right through the site, providing the opportunity for a fantastic waterside living and working environment. Progress is being made to bring world class open spaces to the area. A new green space is already open for local communities at Ladysmith Park – designed by local residents, groups and schools – with more to come.

The site has excellent road networks as it is bounded by the North Circular Road (A406), A10 and M11. Along with the new Meridian Water train station and super high-speed broadband, communities will be able to connect with the environment on their doorstep and beyond.

3 THE INFRASTRUCTURE DELIVERY OPPORTUNITY

A strategy has been developed to support the progressive transformation of the site from the current predominant industrial and retail land use into a mixed-use, diverse and sustainable new piece of city. The main structure underpinning the masterplan framework is formed by an interwoven network of infrastructure which need to be put in place prior to any new homes. Below ground this network will allow the new buildings to be connected to all the utilities services, afford protection against flooding levels and sit upon clear and remediated soil. The same network, above ground, opens new movement opportunities at a local and regional scales, interacts with the watercourse and the green spaces creating an integrated public realm for the emerging neighbourhood.

Alongside the physical improvements to the site, the placemaking strategy is key to unlocking housing in Meridian Water. Through its innovation and high-quality design, the primary infrastructure will lead the change in perception of the area, enticing future residents to live in the development.

The key primary infrastructure that is required in order to unlock the development of homes is shown in Appendix 1 and include:

PRIMARY ROADS, SERVICES AND BRIDGES

The new neighbourhood requires improved connections and an upgrading of primary services. By extending the current Glover Drive east-west to Harbet Road Development via a new Central Spine route (known as the Boulevard) Zones 2-7 will become interconnected and accessible from the station and other Development Zones and become a nodal connection to the surrounding areas. The addition of a new link road, from Leaside Road to the Central Spine, will further improve connectivity and access. Five new bridges are required to enable these primary roads to cross the brooks and river as well as improving the pedestrian and cycle connectivity across the railway.

The Central Spine (called the **Boulevard** – labelled the Causeway on the drawings) is a key east-west spine connecting through Meridian Water, stretching from the new station to the Lee Valley Regional Park. By connecting across the waterways that currently sever the site into a series of islands, the Central Spine ties together the future neighbourhoods.

The road will be introduced ahead of the housing Development Zones with the aim not only to provide a connection but also to set a structural base for the public realm strategy of the future neighbourhood. The materials and road organisation will both serve the interim phases, including use by construction vehicles, and the low-car scheme that will follow in the long-term plan. Upgrades in the pavement finishes and the trees growth will contribute to transform the character of the Central Spine over time. The Central Spine will represent the paradigm of the new low-car development it serves; most of the road will restrict access to buses, bikes and delivery vehicles. It will be fronted by retail, restaurants, community uses as well as residential entrances to create an active and vibrant route.

COMPREHENSIVE REMEDIATION, CUT & FILL AND FLOOD MITIGATION

Large parts of the site are subject to serious flood risk – particularly Development Zone 1 and Development Zones 4-7. Much of the land is also likely to be contaminated.

The Council have already commissioned remediation and agreed a flood strategy for Development Zone 1. The HIF application proposes comprehensive re-levelling of Development Zones 4-7 using cut & fill from the Lee Valley Regional Park and the naturalisation of the brooks to bring the development plots above flood levels whilst creating two large parks, capable of absorbing extreme flood events. This process gives the opportunity to remediate a significant part of the site at the same time as creating public parks which will act as attractive amenity space for the future development. The Council is currently in the process of acquiring the necessary land (supported by a CPO process if necessary) in order to fully achieve this flood mitigation and remediation strategy.

A comprehensive Ground Investigation survey is also currently being procured by the Council.

NEW PRIMARY UTILITIES AND UTILITY DIVERSIONS

The new primary service corridors supply electricity, gas, hot water, comms and water to the site and collect sewage from the site. This will require some primary interfaces such as a primary substation and pumping station.

In addition, the works will involve diversion and/ or removal of existing services.

The Council's technical advisors/ designers (Ove ARUP) have made C2 Utility enquiries and the current design is based upon a UKPN (DNO) supplies to Meridian Water. The Council will consider the financial benefits of utilising an Independent Distribution Network Operator (IDNO) to provide the currently assessed 2 x 33KV supplies and delivery of the Primary substation.

The framework contractor(s) will need to engage with the DNO/ IDNO and utilise the services of an approved Independent Connection Provider (ICP) to ensure compliance with required adoption standards.

IMPROVEMENTS TO EXISTING JUNCTIONS AND ROADS

Upgrading of Leaside Road and Glover Drive are needed to reinforce the main moves described above to begin the transformation from a 'high road' environment to a more pedestrian and cycle priority street, to underpin the identity of Meridian Water as a low-car development and increase marketability and viability of new homes.

PHASING

Phasing of the infrastructure works is currently indicative only and has been based upon current land ownership, the programme of land acquisitions and a need to structure the works around the phased housing delivery requirements. The delivery of the infrastructure works assumes a Pre-construction Phase and 7 'Zonal' Works Phases that are structured around the phased housing delivery requirements. An indicative phasing plan is attached in Appendix 2.

The Enabling Works package will be used to carry out advance demolition works and deliver a new temporary alternative access road to the Arriva Bus Garage and businesses in the south of the site, prior to the commencement of the Main Contract works.

4 PLANNING AND TITLE

A planning application is being progressed by the Council for the full scope of proposed Strategic Infrastructure Works subject to the HIF funding application. The planning application is programmed to be submitted in May 2019 and will include a redline-boundary that accommodates the full extent of works including suitable construction area allowances.

The description of the planning applications relating to the HIF Infrastructure Works are as follows:

Full planning application for redevelopment of the site to provide infrastructure works for the delivery of a mixed-use development comprising construction of an east-west link road between Glover Drive and Harbet Road ('the Central Spine'); alteration of access road between Argon Road and Glover Drive, construction of a link road between Leaside Road and the Central Spine, pedestrian and cycleway improvements to Glover Drive and Leaside Road, the construction of 4 no. bridges across the Pymmes and Salmon Brooks and River Lee Navigation; alteration to the Pymmes Brook channel and associated landscaping. Enabling works, comprising: earthworks; remediation; flood compensation flow path, storage and outfall works; utilities infrastructure; demolition of existing buildings and associated works.

Negotiation is currently ongoing with IKEA regarding wider highway access works which may also form part of the detailed planning application.

Meridian Water – Strategic Infrastructure Works – WAML Bridge

A separate application is being progressed for the proposed West Anglia Main Line ('WAML') pedestrian/cycle bridge which has been separated from main infrastructure works application given its separate location and delivery requirements including the specific programme of negotiation required with Network Rail. A draft description of development is as follows:

Full Planning Application for construction of a new pedestrian and cycle bridge across the West Anglian Main Line and associated public realm works adjacent to Leaside Road.

Meridian Water – Strategic Infrastructure Works – Primary Sub-Station

The primary sub-station planned as part of the strategic infrastructure works is still subject to review in terms of its location and therefore a fixed planning delivery strategy has not been reached. The powers which the statutory electricity providers have under the General Permitted Development Order 2015; Part 15 Class B has been considered but are not thought to be applicable given works will not be on an existing operational site. The primary sub-station is likely to be located off site or at a distance from other infrastructure works and it is therefore proposed that it is progressed via a freestanding planning application. Draft description of development:

Full Planning Application for construction of a primary sub-station with associated parking, landscaping and access.

Pre-application negotiations regarding this are well advanced with the local planning authority and a range of key stakeholders. The application is to be submitted in parallel with an outline planning application for a residential led development within Development Zones 4 & 5, which given the close interaction between the proposals will include a shared Environmental Impact Assessment and Transport Assessment. Whilst the proposals are closely linked, they are to be submitted as separate applications to ensure that the determination of the enabling Strategic Infrastructure Works is not delayed by any issues with the residential scheme including its referral to the GLA. The determination of the Strategic Infrastructure Work application is programmed for September 2019, which provides sufficient time for strategic flood and transport modelling to be completed to inform the decision. The planning redline boundary includes third party land subject to ongoing property negotiations, with the backstop of the Compulsory Purchase Order being progressed by Enfield Council.

5 DESIGN STATUS

The HIF design is being progressed by ARUP, Architects KCA and Periscope to a Developed Design (RIBA Stage 3) status.

A design freeze has taken place in February 2019 and the design team is now progressing the necessary drawings and information for the planning application due to be submitted in May 2019 for a target planning consent in October 2019.

Key design documents will include;

- Design and Access Statement
- Design Code
- Detailed Drawings

Key Issues which are still outstanding and require further design development by the appointed Contractor during the Technical Design (RIBA 4) Stage of the project are:

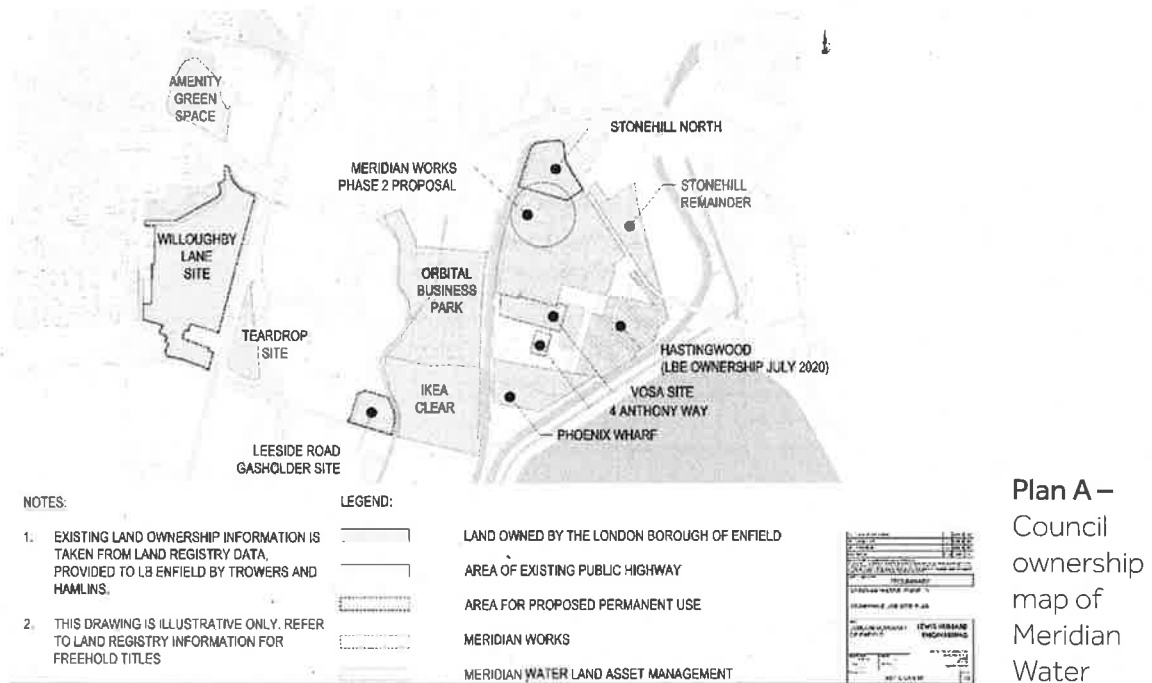
- **Primary Sub-station location** – There are a number of location options which are being considered by the design team and the Council.
- **Completion of surveys necessary to complete drainage design** – Procurement underway by the Council.
- **Flood and Transport Modelling** – due to be issued in July 2019.
- **West Anglia Main Line (WAML) Bridge Design**

Designs have been developed in line with discussion held with various stakeholders including the Environmental Agency, Canal and River Trust, Local affected businesses and various utilities providers. Continued communication and co-ordination will be required during the next Technical Design stage.

6 LAND ASSEMBLY AND MEANWHILE USES

A key feature of Meridian Water is the Council's active involvement and leadership of the project. Mostly notably this is seen through the land acquisition programme, where the Council continues to buy and prepare the land at Meridian Water for development and undertake other initiatives to bring forward the regeneration of the site.

Current land ownership plan is attached to this Mol (Appendix 3). It shows the Council owns 36ha of land within the Meridian Water red line, which is 68% of the developable land. Plan B also shows an aerial photograph that gives an overview of the site as currently stands.



Land assembly is being brought together through early negotiations with land owners, but the Council has provided 'in principle' approval to commence a Compulsory Purchase Order (CPO) acquisition in the event the Council has exhausted all other avenues to purchase the land.

Draft CPO preparations are being developed by the Council. Currently the land referencing stage is in progress, which records ownership and occupational details of the land to identify all parties with a legal interest or right to occupy the required land.

The current programme factors in the required timescale to complete the CPO process and this also dictates the current phasing of the HIF works which is based upon availability of the land as it is acquired.

The Council's Cabinet in February 2016 confirmed that the Economic Strategy for the development needs to link to the way in which the land at Meridian Water is managed. The Meridian Water Regeneration Framework identifies the importance of using meanwhile or interim activities as a means of helping to create Meridian Water as a place that people want to visit, work and live. In addition, these meanwhile uses are an important means of securing income for the Council, as well as beginning the transition to permanent uses, notably regarding employment on the site. The framework contractor(s) are expected to work along the existing leases and meanwhile uses on the site, ensuring minimal disturbance for existing occupiers and helping the Council to maximise their income and placemaking opportunities from the uses located within the red line boundary of the works.

Alongside the development of a masterplan for Meridian Water, the Council and its consultant teams have been developing a co-ordinated approach to managing the Council's meanwhile assets, in effect a meanwhile masterplan that aligns with the permanent masterplan.

There will be a cross-over from Meanwhile uses in site to permanent uses as the HIF works develop. So, for example, the blue sheds on the Orbital Business Park ultimately need to make way for the strategic road network, a park and residential led mixed-use development.

7 REQUIREMENTS OF THE INFRASTRUCTURE CONTRACTOR

The intention of Enfield Council is to set up a framework for delivery of infrastructure works to support the development at Meridian Water. The strategic infrastructure works include strategic road works, junctions, bridges, utility services, demolition, construction, earth and remediation works, as well as an element of design development.

Bidders will need to demonstrate the following:

- Management of programme delivery for projects of a similar size and scope to this project, including managing 'third party' interfaces.
- Experience in wide ranging and complex supply chain management.
- Experience of proven Risk Management techniques to deliver projects of a similar size and scope to this project.
- Experience in managing and maintaining quality standards at the pre-construction, construction and handover stages of projects of a similar size and scope to this project.

- Experience in working on large projects with phased handovers of site areas and maintaining 'business as usual' arrangements for adjoining businesses.
- Experience of delivering value for money on projects of a similar size and scope to this project.

8 PROCUREMENT PROCESS

By a Prior Information Notice placed in the Official Journal of the European Union, the Council has invited expressions of interest from suitably qualified and experienced providers in relation to being admitted onto a Framework Agreement for the delivery of main and/or strategic utility services, highways, and bridges infrastructure to support the development at Meridian Water.

The Council intends to set up a framework for delivery of infrastructure works to support the development at Meridian Water.

Contractor selection is by Lean Competitive Dialogue, conducted in accordance with the Public Contracts Regulations 2015. The procedure will comprise a single dialogue stage, followed by the submission of Final Tenders. The indicative timetable is shown below:

Issue of Contract Notice	May 2019
SQ/ PAS 91 Responses returned	June 2019
Shortlisting for ITP stage announced	June 2019
ITP issued	Late August 2019
ITP with Lean Competitive Dialogue complete	November 2019
LBE select Framework Contractors	February 2020

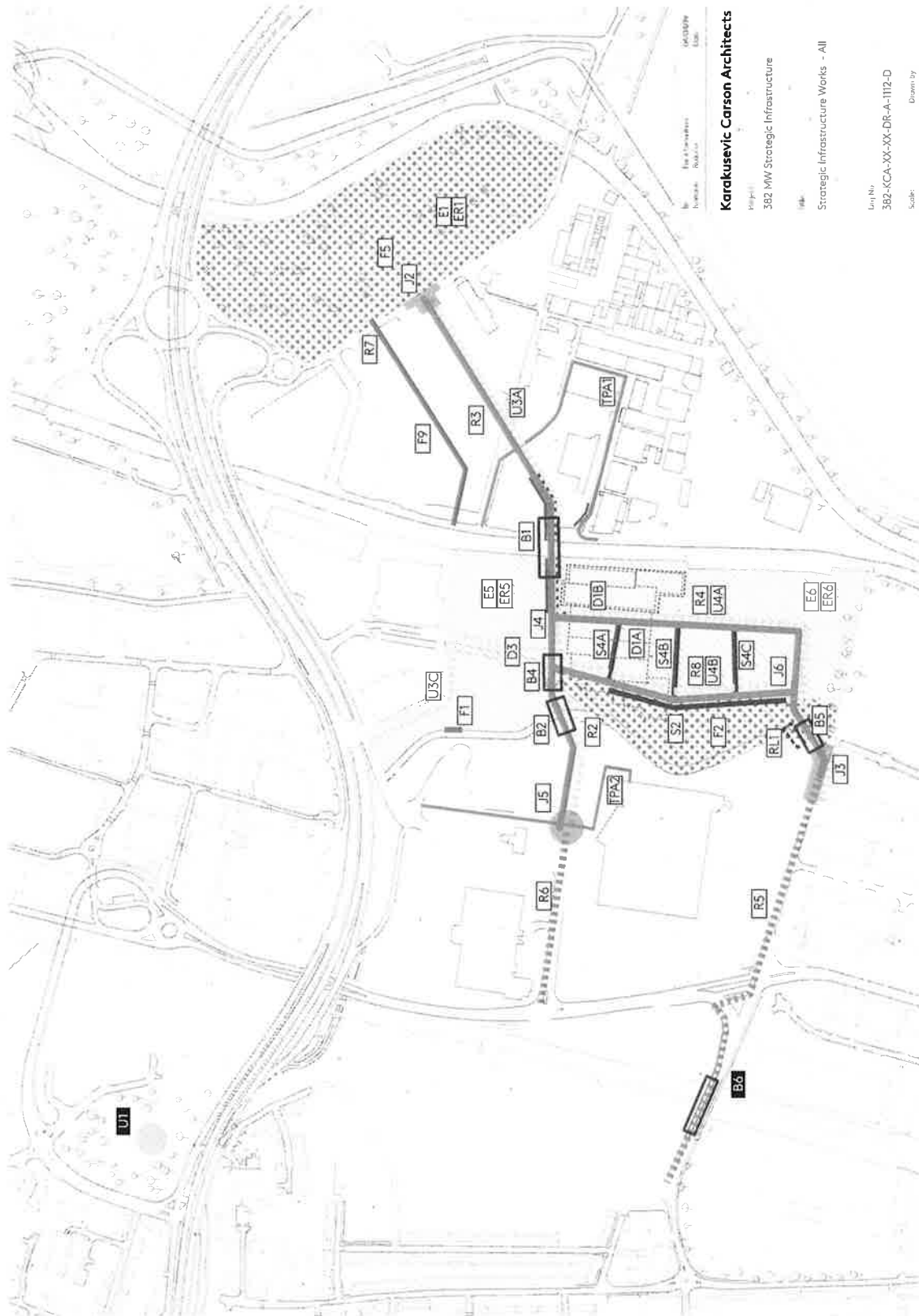
It is envisaged that the framework will operate under an NEC4 contract with Z clauses amendments and a Pre-Construction Services Agreement (**PCSA**) for the design phase of each Work Package.

9 ADDITIONAL INFORMATION

Enfield Council is holding a Tender Information Event on 26 April and interested candidates are invited to attend this event. To confirm your attendance please RSVP by emailing natasha@3foxinternational.com by 21 April 2019. Please also inform us of the names of attendees from your organisation when submitting your RSVP.

Further information on the regeneration of Meridian Water can be found here: www.meridianwater.co.uk/

APPENDIX 1 Overview of the Strategic Infrastructure



Karakusevic Carson Architects

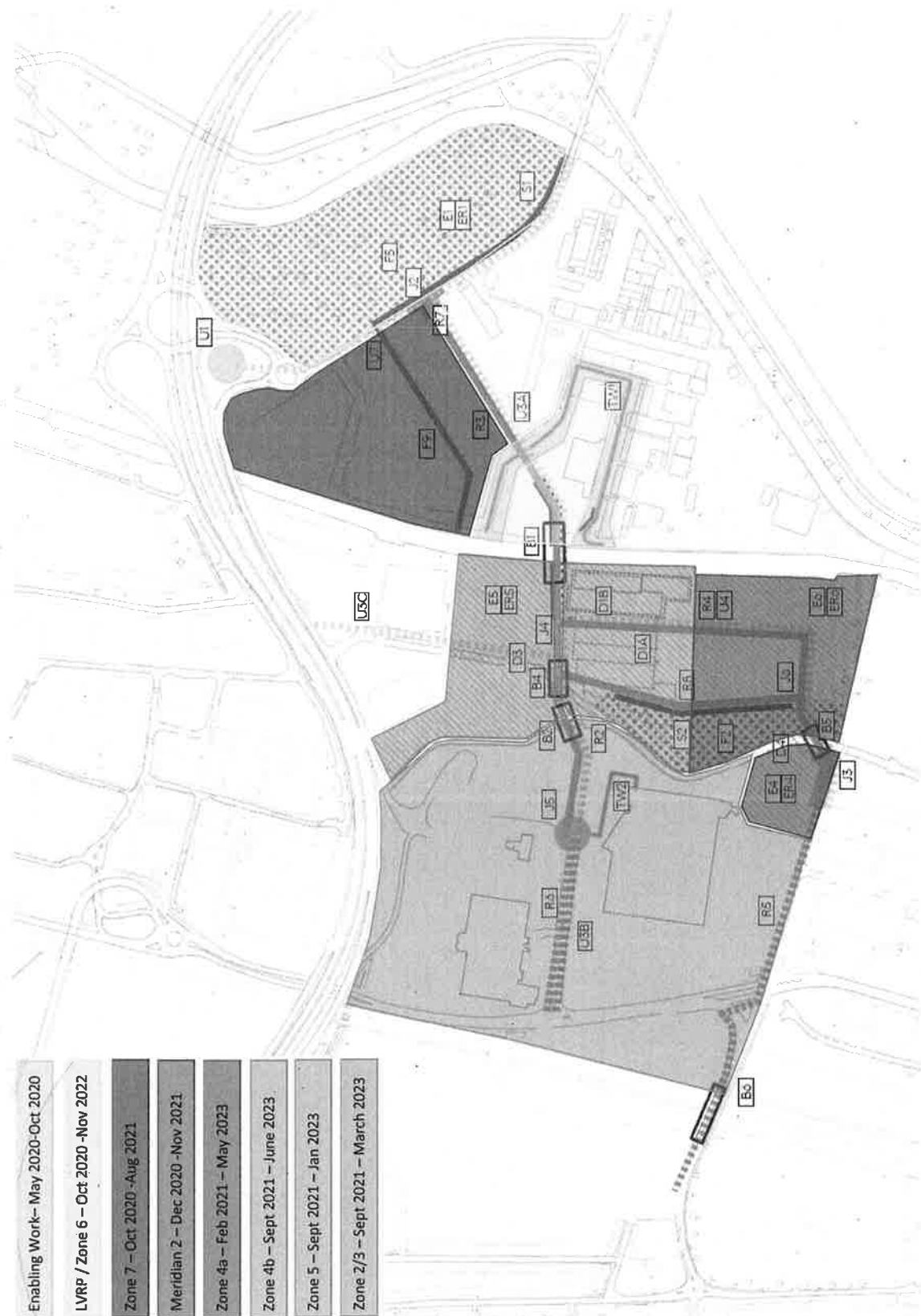
382 MW Strategic Infrastructure

Strategic Infrastructure Works - All

Proj No: 382-KCA-XX-XX-DR-A-1112-D
 Scale: 1:2500 @ A1
 Drawn by: RM

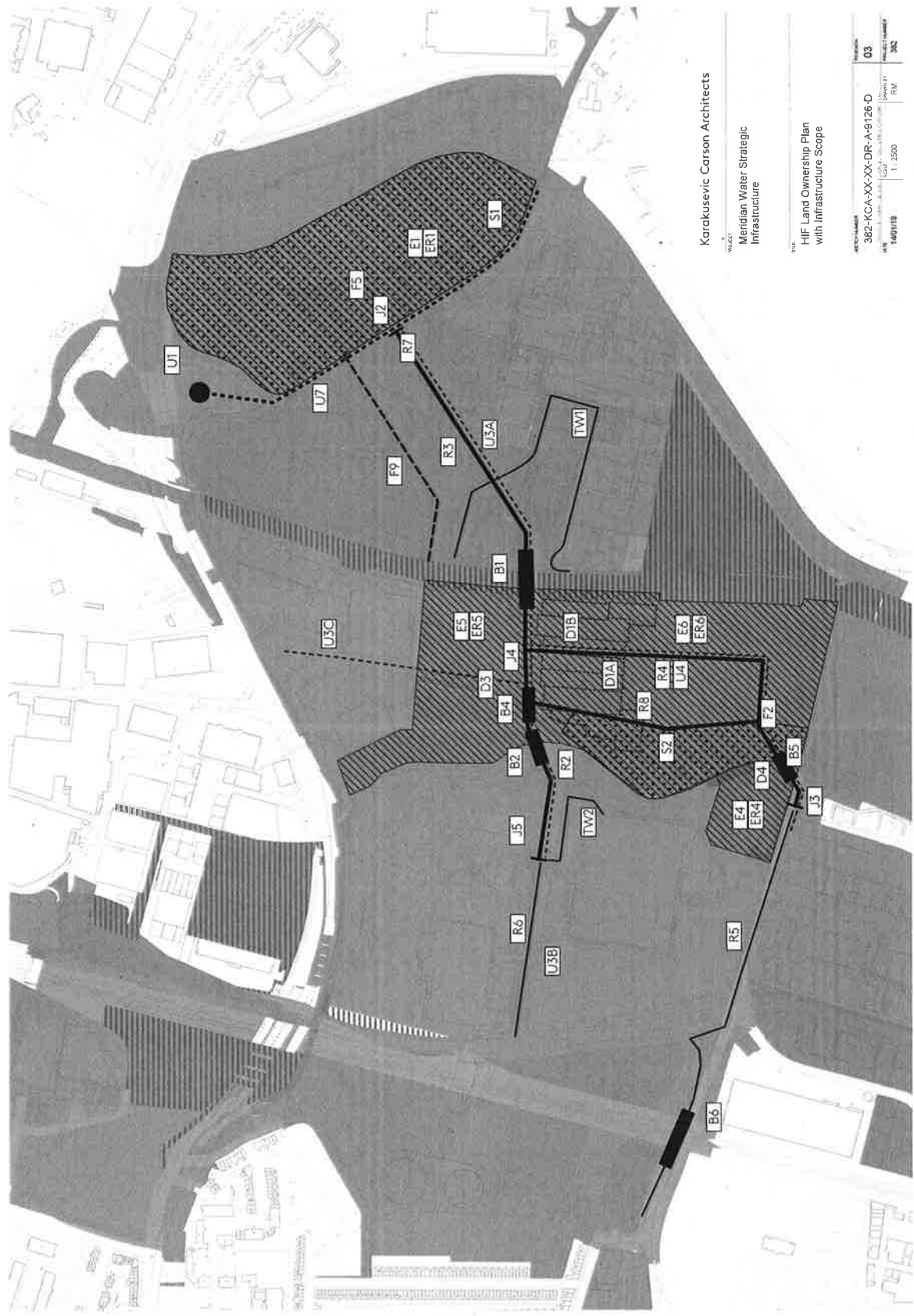
	Utilities		Retaining walls		Full planning application for Strategic Infrastructure Works (SIW)		R2	Central Spine Road (West)
	Utilities to be delivered by others		Demolition		Separate planning application		R3	Central Spine Road (East)
	Primary substation		Land remediation				R4	Leaside Link Road
	Roads / public realm		Bridges				R5	Leaside Road Improvements
	Access roads		Flood landscope				R6	Glover Drive Improvements
	Public realm improvements		Flood conveyance channel				R7	Flood Conveyance Channel Highway Works to Harbet Road
	Junctions		Surface water swale				R8	Parkside Cycle Street
	Full planning application for Strategic Infrastructure Works (SIW)						J2	Central Spine Road - Harbet Road Junction
	Separate planning application						J3	Leaside Link Road - Leaside Road Junction
							J4	Leaside Link Road - Central Spine Road Junction
							J5	Central Spine Road - Glover Drive Junction
							J6	Leaside Link Road - Parkside Cycle Street Junction
							TPA1	Third Party Access Works - Development Zone 6
							TPA2	Third Party Access Works - Ikea
							D1A	Demolition of BOC Sheds West
							D1B	Demolition of BOC Sheds East
							D3	Demolition of Salmons Bridge
							RL1	Relocation of Pymmes Bridge (Bailey Bridge)
							E1	Earthworks - Lee Valley Regional Park
							E5	Earthworks - Development Zone 5
							E6	Earthworks - Development Zone 4
							ER1	Remediation - Lee Valley Regional Park
							ER5	Remediation - Development Zone 5
							ER6	Remediation - Development Zone 4

APPENDIX 2 Indicative Phasing Plan



- Enabling Work – May 2020-Oct 2020
- LVRP / Zone 6 – Oct 2020 -Nov 2022
- Zone 7 – Oct 2020 -Aug 2021
- Meridian 2 – Dec 2020 -Nov 2021
- Zone 4a – Feb 2021 – May 2023
- Zone 4b – Sept 2021 – June 2023
- Zone 5 – Sept 2021 – Jan 2023
- Zone 2/3 – Sept 2021 – March 2023





APPENDIX 3 Plan current landownership












Karakusevic Carson Architects

PROJECT	Meridian Water Strategic Infrastructure
DATE	11/2020
SCALE	1:2000
NO.	03
PROJECT NUMBER	382-KCA-XX-XX-DR-A-9126-D
DATE	14/01/18
SCALE	1:2000
NO.	03
PROJECT NUMBER	382-KCA-XX-XX-DR-A-9126-D

Landownership:

-  Land owned by London Borough of Enfield
-  Third party landownership
-  Unregistered land
-  Mines and minerals

HIF Works:

-  Land remediation
-  Flood landscape
-  Flood conveyance channel
-  Bridge
-  Roads & public realm
-  Temporary public realm & access
-  Utilities
-  Primary substation
-  Demolition

NOTE:
The location and dimensions of the HIF works are indicative and should not be measured from this drawing.

This drawing should be read in conjunction with
382-KCA-XX-XX-DR-A-1112-D

Based on initial land referencing under taken by a third party.

NOTES

NOTES

MUNICIPAL YEAR 2019/2020 REPORT NO.

**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY**

PORTFOLIO DECISION OF:
Leader of the Council

REPORT OF:
Programme Director –
Meridian Water &
Director of Property &
Economy

Agenda – Part 1:

Item: 4936

Subject: Letting of Hawley Road site

Wards:

Key Decision No: 4936

Contact officer and telephone number:

Name: Shamit Kanani

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1. EXECUTIVE SUMMARY

- 1.1 Meridian Water is the Council's flagship regeneration programme, with plans for 10,000 new homes and thousands of new jobs delivered over the next 20 – 25 years supported by the recently opened Meridian Water station.
- 1.2 The Stonehill site was acquired from HSBC in June 2017. This site is currently classified as being strategic industrial land (SIL) as confirmed in the current Enfield Leaside Area Action Plan (ELAAP) and would not be developed for at least 15 years.
- 1.3 The key objective behind the marketing of the site, by the Council's property agent Lambert Smith Hampton, was to secure a tenant for the site that would provide a significant income and support the regeneration scheme. Further details are provided in the Part 2 report.
- 1.4 North London Waste Authority are a strategic partner, as the rebuilding of the ecoplant is an essential project to support future waste and energy requirements both for Meridian Water and Enfield Council as a whole. Further details are provided in the Part 2 report.
- 1.5 The North London Waste Authority have indicated that they are aiming to submit their planning application on 3rd September 2019, with a view that a decision will be made at the November/December Planning Committee meeting.

- 1.6 As the proposed lease would be conditional to achieving planning consent, the Council is looking to enter into an Agreement to Lease with the North London Waste Authority, while they are progressing their planning application.
- 1.7 The Agreement to Lease would be for a short and finite period of time (maximum period of 6 months), so as to not commit the Council to this letting indefinitely. In the event that this letting is not achievable, the Council would look to re-market the site to the open market.

2. RECOMMENDATIONS

That the Leader of the Council:

- 2.1 Delegates approval of the final version of Heads of Terms to the Programme Director of Meridian Water and the Director of Property and Economy.
- 2.2 Intrusts the authorised legal officer to enter into an Agreement To Lease.
- 2.2 Intrusts the authorised legal officer to enter into a lease based upon the final agreed terms.

3. BACKGROUND

- 3.1 The Hawley Road site is a 3.82 acre site located north of Hawley Road. The site is formed of the concrete slab of the former building and is enclosed by a metal wire fence.
 - 3.2 The northern part of the site is vacant. The southern part of the site (1.69 acre) is currently let to NLC Distribution Ltd, a pallet storage and distribution company, since 20/03/2018.
 - 3.3 The site was marketed in parallel with the main Stonehill site, by Lambert Smith Hampton through the Estates Gazette, the Enfield Independent as well as their own website, from 12th January 2019 to 22nd March 2019. Bidders could bid for either one of these sites or both of these sites together. During the marketing phase, a potential term of 12 years was being offered.
- 3.4 Submissions received**
- 3.4.1 No compliant bids were originally received for the main part of Stonehill (7.5 acre) site). It was then re-marketed. The submissions are currently being evaluated. Recommendations

for the letting of the Stonehill site will be subject to a separate report.

3.4.2 In relation to the Hawley Road site, only two compliant bids were received. These details are provided in the Part 2 report.

3.5 Evaluation of the bids received

3.5.1 The Hawley Road site was evaluated through submissions using the criteria of 75% price and 25% quality. It is important that the Council obtains a significant rental income from this site to help meet its current meanwhile income targets.

3.5.2 To evaluate the bids received, a panel consisting of 4 members of the Council was set up. It included members from the Meridian Water Team, the Property Team and the Finance Team. The panel were asked to go through each proposal and score elements that met the price criteria and required quality criteria.

Criteria	Factors under consideration	Score
Supporting Regeneration	<ul style="list-style-type: none"> How the proposal will relate to neighboring permanent and temporary development, such as the Causeway, River Lea Navigation and the Employment Hub How the leaseholder will demonstrate flexibility to comply with Strategic Infrastructure works that are scheduled to be delivered between 2021-2023. 	10%
Positive Socio-Economic Impact	<ul style="list-style-type: none"> This includes both existing businesses but also other placemaking and meanwhile tenants both within Meridian Water and beyond. 	10%
Stakeholder Impact	<ul style="list-style-type: none"> Creativity of proposals in contributing to changing perceptions of Stonehill and the East Bank. Demonstration of successful proposals elsewhere that have improved overall profile of industrial estates or brownfield pre-development land. 	5%
TOTAL:		45%

The quality elements above reflect the aspirations and vision set out in the Meridian Water Place booklet.

3.5.3 The quality elements were scored from 0-5 with the scoring definitions as follows:

Scoring	Definition
0	<p>An unacceptable response:</p> <p>The information is either omitted or completely fails to address the requirement and/or poses an unacceptable risk to the Authority.</p>
1	<p>A poor response:</p> <p>Information contains significant shortcomings and/or lacks evidence of compliance with the requirement and/or poses a high risk to the Authority.</p>
2	<p>A below expectations response:</p> <p>Information has some omissions and/or only partially addresses the requirement and/or is inconsistent with the other proposals and/or poses a significant risk to the Authority.</p>
3	<p>A satisfactory response that meets expectations:</p> <p>Proposal demonstrates it can meet the minimum expected standard in most material respects in terms of level of detail, accuracy and relevance.</p>
4	<p>A good response:</p> <p>Proposal meets the required standard and is comprehensive in terms of detail, accuracy and relevance.</p>
5	<p>A very good response:</p> <p>Proposal meets the required standard, is comprehensive and demonstrates best practice and/or delivers added value.</p>

3.5.4 The evaluation scoring was undertaken individual, then the panel came to together to moderate the scoring. The panel jointly agreed the quality score for each submission. Further details are provided in the Part 2 report.

3.5.6 To convert the quality scores in percentages to help establish a quality percentage score, the following formula was used:

$$(Bidders\ score \div 5) \times percentage\ of\ criteria = Bidders\ Percentage$$

$$Example: (3 \div 5) \times 10\% = 6\%$$

Further details are provided in the Part 2 report.

3.6 The North London Waste proposal for meanwhile use at Hawley Road will further enhance the level to which Meridian Water could be considered a sustainable development, as the energy from the ecoplant along with Energetik, would power all the homes at Meridian Water. Further details are provided in the Part 2 report.

3.7 Current position

These details are provided in the Part 2 report.

3.8 Heads of Terms

These details are provided in the Part 2 report.

3.9 Valuation

These details are provided in the Part 2 report.

4. ALTERNATIVE OPTIONS CONSIDERED

These details are provided in the Part 2 report.

5. REASONS FOR RECOMMENDATIONS

These details are provided in the Part 2 report.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

These details are provided in the Part 2 report.

6.2 Legal Implications

These details are provided in the Part 2 report.

6.3 Property Implications

These details are provided in the Part 2 report.

7. KEY RISKS

These details are provided in the Part 2 report.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

The proposal stipulated in this report would not positively or negatively impact upon this priority.

8.2 Sustain strong and healthy communities

The proposal stipulated in this report would provide a positive impact upon the recycling rate and would also reduce the amount of waste sent to landfill. This in turn would have a beneficial impact upon the level of sustainability and air quality in the area.

8.3 Build our local economy to create a thriving place

The implementation of this proposal has a positive impact on this objective by boosting employment opportunities at Meridian Water and the borough. It would also generate a sizeable income for the Council which could be used to further other regeneration initiatives.

9. EQUALITIES IMPACT IMPLICATIONS

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equality impact assessment is neither relevant nor proportionate for the approval of this report.

Background Papers

N/A

MUNICIPAL YEAR 2019/2020 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:

Joanne Drew, Director of Housing & Regeneration

Contact officer and telephone number: Ed Richards 020 8132 0710

Email: ed.richards@enfield.gov.uk

Agenda – Part: 1	KD Num:
Subject: Application for the Council to Enter into contract with the Greater London Authority	
Wards: All	

1. EXECUTIVE SUMMARY

- 1.1 This report seeks permission for the Council to enter into contract with the Greater London Authority (GLA) for the Amendment & Restatement Agreement (Addendum to the Affordable Housing Programme 2016-21).
- 1.2 The Council is currently delivering a number of large housing schemes and through the GLA's Affordable Homes Programme have been successful in securing funding under the 2016-21 programme to support new housing opportunities in the borough.
- 1.3 In 2018, the GLA produced an addendum to the 2016-21 programme which saw the grant funding rate for London Affordable Rent increase by £10,000 to £70,000 per unit and the availability of these funds extended to March 2022.
- 1.4 To deliver this funding the Council will need to enter into a grant agreement with the GLA, this will also allow the Council to draw down the grant funding from the GLA for the delivery of affordable housing units within Enfield.
- 1.5 The submission of this partnering contract will not commit the Council to any expenditure or incur any penalties – however it will enable the council to enter into contract for the present funding and any future funding secured under this programme. This would also enable the council to be in a position to deliver affordable units quickly should the opportunity present itself.

2. RECOMMENDATION

1. Authority is granted to amend and restate the existing agreement with the GLA to draw down funding secured under the Homes for Londoners, Affordable Homes Programme 2016-21 as per the amendment and restatement agreement.

3. BACKGROUND

- 3.1 In 2017 the Council entered into agreement with the GLA to obtain funding via the GLA's Affordable Housing Programme 2016-21.
- 3.2 In 2018, the GLA produced an addendum to the 2016-21 programme which saw the grant funding rate for London Affordable Rent increase by £10,000 to £70,000 per unit and the availability of these funds extended to March 2022.
- 3.3 The Council are now in a position to secure £11,550,000 grant for additional units at the New Avenue scheme.
- 3.4 This grant can only be drawn down if the amendment and restatement agreement (appendix A) is signed and returned to the GLA. All contracts will be approved by the Assistant Director of Governance and Legal Services before signing.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 No other options are available

5. REASONS FOR RECOMMENDATIONS

- 5.1 Authorising the Council to enter into contract with the GLA will enable the current funding and any future funding secured to be delivered by the Council more efficiently and quickly.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The Council needs to enter into the amendment and restatement agreement with the GLA to enable us to draw down grant funding. The GLA have already approved £11,550,000 of funding under this addendum. The grant allocation is £70k per unit.
- 6.1.2 Rents can be at social rent or the London Affordable Rent. The new London Affordable Rent cap was introduced from April 2019 to ensure the Council's Affordable Rent policy is in line with the London Affordable Rent cap.
- 6.1.3 Signing of this contract will not commit the Council to any expenditure or penalties but the grant conditions must be abided to by the Council. It also enables the Council to enter into contract for present and future funding from the GLA.

6.2 Legal Implications

- 6.2.1 The Council has the general power of competence under Section 1(1) of the Localism Act 2011 (Commencement No. 3) Order 2012 (SI 2012/411) to do anything that individuals may generally do provided it is not prohibited by legislation. There is no express prohibition, restriction or limitation contained in a statute against the use of this power in this way.
- 6.2.2 The proposal to enter into the agreement with the Greater London Authority is in accordance with this power.
- 6.2.3 As the anticipated value of grant payable to the Council pursuant to the amendment and restatement agreement exceeds £250,000, this is a Key Decision and the Council must comply with the Key Decision procedure. In cases of urgency, Rule 15 and/or 16 of the Council's Constitution must be adhered to.
- 6.2.4 All agreements must be in a form approved by Legal Services on behalf of the Director of Law and Governance.

6.3 Property Implications

There are no property implications.

7. KEY RISKS

- 7.1 There are no risks associated with the Council entering into contract with the GLA. However, should the Council fail to deliver on these programmes within the programme delivery dates, the GLA could withdraw the funding.
- 7.2 The Council will try and mitigate any risk of this happening through constant monitoring of all milestones for all of their key strategic sites that have been granted funding.
- 7.3 The Council will also report regularly at quarterly partnership meetings with the GLA and will flag up any issues in advance to negotiate favourable outcomes for the Council.

8. INTERNAL DEPARTMENT IMPLICATIONS/CONSULTATION

N/A

9. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

9.1 Good homes in well-connected neighbourhoods

Any increase in the provision of housing within the borough is likely to improve growth and sustainability.

9.2 Sustain strong and healthy communities

Any increase in the provision of housing within the Borough is likely to make a positive contribution to strengthening communities.

9.3 Build our local economy to create a thriving place

Any opportunity to bid for future funding to provide affordable housing within the Borough is likely to have a positive impact on the Council's priority to ensure fairness for all.

10. EQUALITIES IMPACT IMPLICATIONS

10.1 The submission of this application will not of itself lead to any equalities impact implications. However by entering into contract with the GLA will show confidence in the Council and will lead to the Council being able to bid for any future funding to deliver affordable housing, this in turn will have a positive impact for people less able to afford to provide their own housing solutions within the Borough.

10.2 Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report to enter into contract with the Greater London Authority on the secured Homes for Londoners, Affordable Homes Programme 2016-21.

10.3 It is however recommended that each of the housing schemes within the programme be reviewed as appropriate, and Equalities Impact Assessments be undertaken as necessary. This will help to improve the efficiency and effectiveness of the Council by ensuring that residents and service users' needs are met through the delivery of the Council aims and objectives. It will also help ensure that the Council does not discriminate or disproportionately affect members of staff or customer groups more than others.

11. PERFORMANCE AND DATA IMPLICATIONS

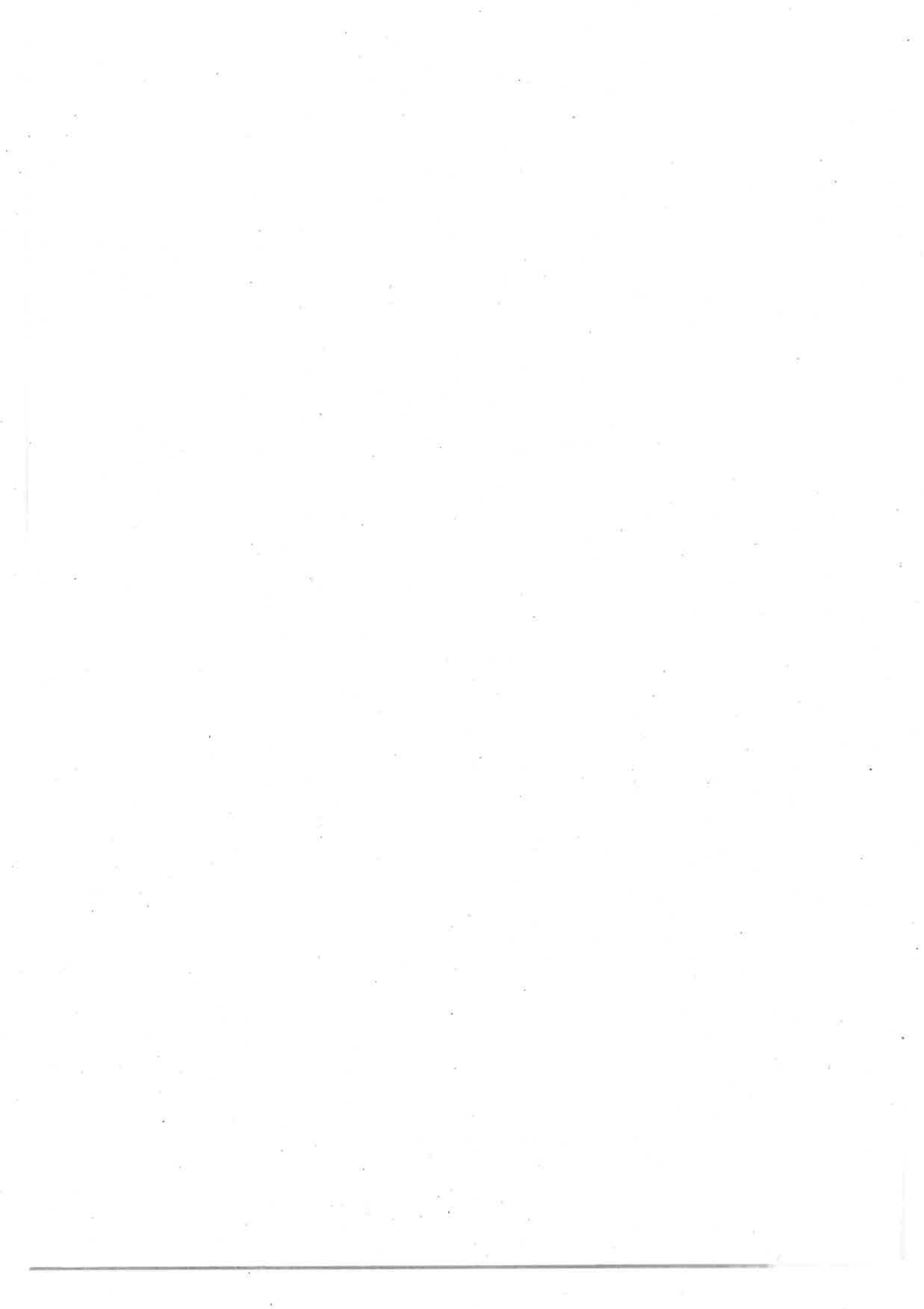
There are none.

12. PUBLIC HEALTH IMPLICATIONS

The submission of this application will not of itself lead to any public health implications.

Background Papers

Appendix 1 – GLA amendment and restatement contract



MUNICIPAL YEAR 2019/2020 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:

Director of Housing and Regeneration in consultation with the Director of Finance

Agenda – Part: 1	KD Num: 4986
Subject: Acquisition of additional affordable homes on New Avenue	
Wards: Cockfosters	

Contact officer and telephone number: Ed Richards 020 8132 0710

Email: ed.richards@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The provision and growth of good quality, affordable homes is a key priority for the Council as set out in the Cabinet decision (KD4830) of 13 February 2019, which included recommendations to full Council on necessary budget decisions. KD4830 confirmed the resolution to deliver additional social and affordable rented homes owned by the Council and Cabinet delegated authority to the Director of Housing and Regeneration in consultation with the Director of Finance to approve third party land and property acquisitions subject to due diligence and valuations.
- 1.2 The Greater London Authority (GLA) have indicated that, under their Approved Housing Provider 2016-22 (AHP16-22) funding programme addendum, the Council can draw down £70k of grant per affordable rented unit on the New Avenue scheme if it can achieve 40% affordable housing across the scheme,
- 1.3 This proposal seeks to acquire 25 market sale homes from Countryside Properties UK (CPUK) to bring the total allocation of affordable homes on the New Avenue scheme to over 40%, with a commitment to topping up these purchases by up to 8 additional units to maintain the level of over 40% affordable housing should planning consent be granted to increase the total number of homes from 468 to 505. More detail is set out in the part 2 report.

2. RECOMMENDATIONS

1. To authorise the purchase of 25 units at market value, utilising GLA grant under their affordable housing programme addendum, for the purpose of converting to London Affordable Rent/Social Rent, at the value specified and in line with the Heads of Terms detailed at part 2 of this report.
2. To authorise the purchase of up to 8 additional units, utilising GLA grant under their affordable housing programme addendum, for the purpose of converting to London Affordable Rent/Social Rent, should planning consent be granted for a larger scheme when planning is submitted later this financial year. The additional units will be to maintain a level of affordable housing above 40% so as to draw down GLA grant across the entire affordable housing provision on the scheme, at the value specified and in line with the Heads of Terms detailed at part 2 of this report.
3. To authorise the Regeneration Project Director, in consultation with the Head of Development to agree and finalise the Heads of Terms for the purchase of the units.

3. BACKGROUND

- 3.1 Planning consent was granted for the redevelopment of the New Avenue estate on 8th November 2016, reference 16/01578/FUL. This would see the development of 408 new homes, 140 (34%) of which would be affordable rented homes.
- 3.2 Through their affordable housing programme, the GLA incentivise developers to increase the level of affordable housing programme above the amount agreed via S106. This involves offering grant across all the affordable units delivered if the total percentage of affordable housing reaches 40% across the scheme.
- 3.3 Discussions with the GLA have indicated that due to the Council retaining control of the site and the freehold of all units post construction (including direct control of the affordable units) a similar methodology can be applied but at registered provider grant levels. This would see every affordable rented unit on the scheme eligible for £70,000 of grant funding.
- 3.4 Under the current planning permission, 408 units will be delivered in total. Currently 140 units will be affordable. It would take an additional 24

units being flipped to affordable to enable grant to be claimed across all the affordable units.

- 3.5 The Council entered into commercial negotiations with Countryside over purchasing these additional units. Countryside would seek a price at or near market rates as they are currently intended to be sold on the open market and sales rates to date have been strong.
- 3.6 A price has been agreed with Countryside for 25 units as detailed in the part 2 report. The additional unit reflects the layout of the blocks being purchased, with two blocks totalling 25 units available. Start on site commenced in January 2018 and completion will occur within the next 12 months.
- 3.7 Countryside are currently working through a revised S73 application with the Local Planning Authority, seeking to increase the total number of units to 505. This will include a reassessment of the level of affordable housing required through S106.
- 3.8 If planning is granted this would mean that, if the overall level of affordable housing falls back to below 40%, the Council will need to top up the number of additional units purchased to maintain the grant arrangement with the GLA (grant would be available for the additional units purchased). If the S106 requirement for the increased number of homes results in over 40% affordable housing across the whole scheme (excluding the 25 the Council is purchasing) then no additional units will need to be purchased but the Council will be eligible for further grant to cover the increase in affordable housing delivered via the S106 route for the new planning consent.
- 3.9 Assuming that the minimum level of affordable housing the Local Planning Authority would approve would be in line with the existing consent (34%) the maximum number of additional units the Council would need to purchase to maintain GLA grant provision would be eight. This option is included in this report as a contingency to respond to any decision that the Local Planning Authority makes. In respect of this report, the Council is acting as a landowner and has no influence on the decision making process administered by the Local Planning Authority.

4.0 Benefit of acquisitions

- 4.1 The 25 units that would be purchased as part of the initial acquisition would be broken down as follows:

Beds	Acquisitions
1	4
2	7
3	14

- 4.2 The additional 8 units that would be delivered through planning consent for 505 units in total and delivered through S106 and/or purchase by the Council would be broken down as follows:

Beds	Acquisitions
1	4
2	3
3	1

- 4.3 Avison Young have informally confirmed that the price agreed with Countryside represents good value for money. Prior to completion a red book valuation will be carried out by Avison Young to formally confirm that the Council are not paying over the appropriate price.
- 4.4 The additional units will be purchased on the basis of a rent level set at London Affordable Rent in line with GLA requirements for drawing down grant.
- 4.5 Where these additional units are used to rehouse existing New Avenue residents as a way of speeding up the delivery of the New Avenue scheme, rents will be set at a lower social rent level in line with their existing tenancies. When the corresponding affordable property allocated out of the original S106 affordable subsequently comes forward it will be let at London Affordable Rent. In simple terms this means that at the end of the scheme there will be 140 social rent units and 25 London Affordable Rent units (increasing proportionally should planning for 505 units in total be granted).
- 4.6 There are two clear benefits achieved through purchasing the additional units. These are:
- The total number of affordable rented homes on the New Avenue development will increase, providing much needed accommodation for Enfield residents currently on the housing waiting list.
 - Residents currently in Coverack Close maisonette blocks can move into a new home earlier, as could a small number of residents currently living off the estate as part of a double decant. Not only would this be beneficial for those specific residents it would also speed up the regeneration as the vacated blocks could be demolished earlier and the entire project could be completed approximately two years earlier than currently planned.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 **Do nothing** - The Council would miss out on the opportunity to utilise significant levels of GLA grant to buy additional affordable housing at minimal cost to the Council. This would see the opportunity to speed up

the regeneration programme missed and also prevent 33 additional households moving out of temporary accommodation.

- 5.2 **Only commit to purchasing 25 units** – this does not present a problem if planning is not obtained for additional units. However, if planning is obtained and the total percentage of affordable housing decreases to below 40% the Council would be required to repay the entire grant allocation to the GLA.

6.0 REASONS FOR RECOMMENDATIONS

- 6.1 The GLA offers generous grant to incentivise increases in affordable housing above the level determined to be viable through the S106 process.
- 6.2 The level of affordable housing provision on the New Avenue scheme and the way in which ownership and development is structured, presents an opportunity for the Council to purchase market sale units for conversion into much needed affordable rented units, with minimal impact on the HRA.

7. COMMENTS FROM OTHER DEPARTMENTS

7.1 Financial Implications

- 7.1.1 The costs for the additional units at New Avenue will be included in the HRA capital programme for 19-20. These costs will be funded from HRA borrowing and are included in the HRA 30 year business plan.

7.2 Legal Implications

- 7.2.1 The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to public law principles. A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others.
- 7.2.2 Pursuant to section 8 of the Housing Act 1985, the Council is required to consider the housing conditions and needs of their area with respect to the provision of housing accommodation. Section 9 of the Act empowers the Council to provide housing accommodation by erecting houses, or converting buildings into houses, on land acquired by them or by acquiring houses.
- 7.2.3 Section 17(1)(b) of the Housing Act 1985 empowers the Council to acquire dwellings for housing purposes. Furthermore, in accordance with section 120(1), Local Government Act 1972, the

Council has the power to acquire any land where it is for the purposes of (a) any of its statutory functions or (b) for the benefit, improvement or development of its area. The Local Government Act 2003 gives the Council power to borrow for any purpose related to its functions, and to utilise capital receipts, subject to the limitations set out in that Act. Accordingly, taken together, these provisions give the Council power to acquire the units.

- 7.2.4 In pursuing the acquisition of the units, the Council must comply with its Constitution including its Property Procedure Rules which set out mandatory procedures regarding "real property (property assets),... which the Council has or proposes to have a legal interest". It is confirmed, at paragraph 7.3.1 of the report, that these rules have been satisfied.
- 7.2.5 The delegation from Cabinet to approve third party land and property acquisitions was 'subject to due diligence and valuations' being undertaken. In this regard, it is noted that Avison Young have informally confirmed that the price agreed with Countryside represents good value for money and prior to any purchase a red book valuation will be carried out to formally confirm that the Council are not paying over the appropriate price. The red book valuation will have to be carried out prior to exchange of the agreement for sale and purchase. Details of transfers, leases, estate management agreements and the like have yet to be given by Countryside. As such, it is not possible at this time to report on their content.
- 7.2.6 Public law principles will apply to the decisions made by the Council in relation to the acquisition of the units, including the Council's duty to take account of its fiduciary duty and to act prudently with public monies entrusted to it. The Council is also under a general duty to act reasonably and show that its decisions are made after having given due and proper consideration to all relevant factors. The Council must consider whether the transaction proposed in this report will be a prudent use of the Council's resources and must seek to strike a fair balance between the interests of tax/ratepayers on the one hand, and the wider community's interest on the other hand.
- 7.2.7 It is noted that planning consent was granted for the existing units, with a Section 106 agreement secured for permission reference 16/01578/FUL. Any variations will also need to be submitted to the Local Planning Authority and consent secured through a legal agreement or variation of the existing Section 106 agreement, pursuant to the Town and Country Planning Act 1990.
- 7.2.8 The terms of any Agreement relating to the GLA grant will need to be considered, including the risks concerning repayment and

timings for draw down of these funds, as the acquisition of the units is dependent on this.

- 7.2.9 All legal agreements arising from the matters described in this report must be approved in advance of commencement, by Legal Services on behalf of the Director of Law and Governance.

7.3 Property Implications

- 7.3.1 Section 4.2 of the Property Procedure Rules state that any acquisition over £500,000 has to be approved by Cabinet. KD4830 confirmed the resolution to deliver additional social and affordable rented homes owned by the Council and Cabinet delegated authority to the Director of Housing and Regeneration in consultation with the Director of Finance to approve third party land and property acquisitions subject to due diligence and valuations. This requirement as stipulated in the Property Procedure Rules has therefore been satisfied.

- 7.3.2 Section 4.3 of the Property Procedure Rules state that a service Director's report must be providing stipulating how the acquisition will help deliver the Council's strategic objectives, that the Council is able to afford the life-cycle cost of the acquired units and that the report is approved by the appropriate senior officer. This report sets out the benefits of the acquisition and has been approved by the Executive Director for Place. Part 2 of this report demonstrates that the purchase price for the units falls within the Council's hurdle rates for acquisitions. This requirement as stipulated in the Property Procured Rules has therefore been satisfied.

8. KEY RISKS

- 8.1 The key risk would be the missed opportunity to purchase additional affordable rented homes well within the Council's hurdle rates.
- 8.2 Countryside are reporting healthy sales for their market sale units and have withheld the units the Council is seeking to buy on the basis of an agreement being made. If the Council cannot make a decision quickly they will revert back to the open market. Once one unit is sold the option of buying any units is lost through a combination of the way units are managed and the loss of GLA grant should the total level of affordable housing fall below 40%.
- 8.3 There is a risk of uncertain market conditions due to Brexit but, given the level of GLA grant available the Council are mitigated against this as the level of HRA expenditure by the Council equates to a unit cost significantly below market value. It is not possible to know for certain whether or not prices will fall (or indeed rise) after Brexit, but the

possibility of them falling is not a reason to withhold agreeing the purchase now for the reasons set out in point 8.2 above.

- 8.4 Whilst unlikely, the risk of Countryside ceasing to trade through bankruptcy should be covered, especially as the homes being purchased are not yet complete. However, this risk is mitigated by virtue of the homes having been almost completed, i.e. the homes are well over 50% complete and therefore were Countryside to go bankrupt, the cost of completing the homes would be no more than the remainder of the sum the Council was due to pay Countryside on completion.

9. INTERNAL DEPARTMENT IMPLICATIONS/CONSULTATION

N/A

10. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

10.1 Good homes in well-connected neighbourhoods

This acquisition will increase the supply of affordable homes, creating sustainable growth and boost the diversity of people that live in, work in and visit the area.

10.2 Sustain strong and healthy communities

Developing and sustaining good quality homes in areas where people desire to live will help to create and maintain strong sustainable communities. The New Avenue development as planned already strengthens the existing community and the provision of additional affordable units to increase the affordable percentage to 40% will further help the creation of a strong, healthy and balanced community.

10.3 Build our local economy to create a thriving place

As per point 10.2 above, the increase of affordable housing to 40% of households across the scheme will help create a thriving, balanced community.

11. EQUALITIES IMPACT IMPLICATIONS

- 11.1 The provision of additional affordable housing units will provide an increased number of homes for people currently living in unsuitable accommodation, a disproportionate number of whom area from groups with protected characteristics.

- 11.2 Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report

12. PERFORMANCE AND DATA IMPLICATIONS

The purchase of additional units will facilitate the speeding up of the development programme by approximately two years.

13. PUBLIC HEALTH IMPLICATIONS

The purchase of additional affordable rented units will result in households currently living in poor quality or overcrowded accommodation the opportunity to move into a home that meets their needs. This in turn leads to an improvement in health and wellbeing for these residents.

Background Papers

None.

